Yong Sze Fun & Anor (t/a Perindustrian Makanan & Minuman Layang-Layang) v Syarikat Zamani Hj Tamin Sdn Bhd & Anor

COURT OF APPEAL (PUTRAJAYA) — CIVIL APPEAL NO W-02–367 OF 2006
ABDUL MALIK ISHAK, KN SEGARA AND ABU SAMAH JJCA
11 NOVEMBER 2011

Tort — Passing off — Elements of passing off — Complaint of passing off to Enforcement Division of the Ministry of Domestic Trade and Consumer Affairs — Whether elements established

Trade Mark — Passing off — Damages — Whether actual damage must be proven — Whether damage may be presumed where parties are engaged in a common field of activity

Trade Mark — Passing off — Goodwill and reputation — Brand well known to customers in market — Whether ingredients of goodwill, misrepresentation and damage present — Whether plaintiffs have acquired goodwill in trademark — Whether there was confusion and deception in the market — Whether plaintiff had suffered or likely to suffer damage or injury to its business or goodwill — Whether actual confusion and actual damage need to be proven — Whether there was passing off — Whether there was honest concurrent use

Trade Mark — Passing off — Similarity of get-up and likelihood of confusion or deception — Related fields of activity — Likelihood of confusion

The plaintiffs/respondents were manufacturers and distributors of foodstuff such as sauces, vermicelli and syrups under the trademark 'TAMIN'. The 'TAMIN' trademark was first used by the founder of the plaintiffs, one Hj Mohd Tamin bin Wahi in 1951. The plaintiffs were incorporated to take over the business and goodwill of Hj Mohd Tamin particularly in relation to the goods bearing the 'TAMIN' trademark. The plaintiffs claimed that they had through their extensive trading and promotional activities established significant goodwill and reputation which originated from their predecessors. Both the defendants/appellants were individuals manufacturing and selling base syrups, flavourings and cordials. The defendants in the course of their business had manufactured and sold their products bearing the word 'TAMIN' which was identical and/or confusingly similar to the plaintiffs' trademark. The

plaintiffs claimed that the defendants' acts amounted to passing-off their goods as that of the plaintiffs'. The plaintiffs thus sought to restrain the defendants' usage of the 'TAMIN' trademark by way of an injunction. The defendants similarly counter claimed against the plaintiffs for passing off. The defendant also claimed that the plaintiffs had committed slander to title and to the goods of the defendants by lodging complaints with the Enforcement Division of the Ministry of Domestic Trade and Consumer Affairs resulting in the Enforcement Division raiding the defendants' premises and seizing products bearing the 'TAMIN' trademark. The High Court gave judgment in favour of the plaintiffs and dismissed the defendants' counterclaim. The defendants appealed against that decision.

Held, dismissing the defendants' appeal and counterclaim with costs:

(1) Goodwill or reputation is an important pre-requisite to an action in passing off. The existence and extent of the plaintiffs' reputation is a question of fact and the main consideration is the likelihood of confusion with consequential injury to the plaintiffs (see paras 47–48).

(2) The defendants being fully aware of the repute and goodwill of the plaintiffs in their usage of the 'TAMIN' trademark in relation to food and drink items nevertheless bulldozed through and started to use the 'TAMIN" trademark in relation to drink products. What the defendants did can be described as unfair trading with the sole purpose of deriving an unfair advantage and riding on the goodwill and reputation of the plaintiffs. Since the defendants must have known of the presence of the plaintiffs in the market, their state of mind was irrelevant in determining the rights of the parties (see paras 51 & 56).

(3) As the plaintiffs were the first in point of time to introduce the TAMIN products in Kelantan based on a survey, the plaintiffs could not be said to be riding on the reputation of the defendants (see para 85).

(4) The plaintiffs had legitimate rights to proceed against the defendants for passing off. The 'TAMIN' trademark had been so exclusively used by the plaintiffs in connection with their products to such an extent that the plaintiffs' products had come to be known in the market by that name and that anyone using that name would intend to refer to the plaintiffs' products and that anyone to whom the name was used would automatically understand that the plaintiffs' products were being referred to. The 'TAMIN' trademark had been consistently and continuously used by the plaintiffs and it became the badge as well as an indicator of the goodwill in their business. The 'TAMIN" trademark was clearly distinctive of the plaintiffs (see paras 92 & 122).

(5) There was misrepresentation by the defendants which caused damage to the goodwill and reputation of the plaintiffs by the use of the 'TAMIN'

trademark. 'Misrepresentation' is a crucial ingredient in an action for passing off. The plaintiffs must prove not only the fact of misrepresentation but additionally that the misrepresentation was material and operative. The plaintiffs succeeded in proving the factum of misrepresentation (see paras 147 & 149).

(6) It is not necessary to show that all or substantially all the persons to whom the misrepresentation is made will be confused. It is sufficient in law that a substantial proportion of persons who are probably purchasers of the goods will in fact be confused. The marks of the plaintiffs and that of the defendants were confusingly and deceptively similar (see paras 167 & 169).

(7) The defendants could not be allowed to claim honest concurrent use when their intentions and actions, all along, had not been honest (see para 184).

(8) There is no necessity for the plaintiffs to prove actual confusion. The plaintiffs need only show the possibility of association. On the evidence adduced, undeniably there was a possibility of association (see para 204).

(9) Actual damage need not be proven. It is sufficient to show a probability of damage. Since the parties were engaged in a common field of activity, damage was presumed and inferred by the court. Anyhow, damage had been established by the plaintiffs (see paras 240, 245 & 251).

(10) The statements made by the plaintiffs to the Enforcement Division were true and thus the defendants' claim of slander failed. Denigration did not arise and the plaintiffs were well within their rights to complain in order to protect and preserve their rights (see para 264).

[Bahasa Malaysia summary

Para plaintif/responden merupakan pembuat dan pengedar bahan makanan seperti sos, bihun dan sirap di bawah tanda niaga 'TAMIN'. Tanda niaga 'TAMIN' pertama kali digunakan oleh pengasas plaintif-plaintif, iaitu Hj Mohd Tamin bin Wahi pada tahun 1951. Plaintif-plaintif telah ditubuhkan untuk mengambil alih perniagaan dan nama baik Hj Mohd Tamin khususnya berkaitan barangan yang mempunyai tanda niaga 'TAMIN'. Plaintif-plaintif mendakwa bahawa melalui perniagaan meluas dan aktiviti-aktiviti promosi mereka telah dapat mewujudkan nama baik dan reputasi kukuh yang berasal daripada mereka yang terdahulu. Kedua-dua defendan/perayu merupakan individu yang membuat dan menjual pati sirap, perasa dan kordial. Defendan-defendan sepanjang perniagaan mereka telah membuat dan menjual produk mereka menggunakan perkataan 'TAMIN' yang sama dan/atau sama mengelirukan dengan tanda niaga plaintif-plaintif. Plaintif-plaintif mendakwa bahawa tindakan-tindakan defendan-defendan membentuk kelirupaan barangan mereka yang akan dianggap sama dengan

barangan plaintif-plaintif. Oleh itu plaintif-plaintif memohon untuk menghalang penggunaan tanda niaga 'TAMIN' oleh defendan-defendan melalui injunksi. Defendan-defendan juga telah menuntut balas terhadap plaintif-plaintif kerana kelirupaan. Defendan juga telah mendakwa bahawa plaintif-plaintif telah melakukan fitnah lisan terhadap nama dan barangan defendan-defendan dengan membuat aduan dengan Bahagian Penguatkuasaan di Kementerian Perdagangan Dalam Negeri dan Hal Ehwal Pengguna yang menyebabkan Bahagian Penguatkuasaan menyerbu premis-premis defendan-defendan dan merampas produk-produk yang mempunyai tanda niaga 'TAMIN'. Mahkamah Tinggi telah berpihak kepada plaintif-plaintif dan menolak tuntutan balas defendan-defendan. Defendan-defendan telah merayu terhadap keputusan tersebut.

Diputuskan, menolak rayuan dan tuntutan balas defendan-defendan dengan kos:

(1) Nama baik atau reputasi adalah prasyarat penting dalam tindakan untuk kelirupaan. Kewujudan dan tahap reputasi plaintif-plaintif adalah persoalan fakta dan pertimbangan utama adalah kebarangkalian berlaku kekeliruan yang akhirnya akan menjejaskan plaintif-plaintif (lihat perenggan 47–48).

(2) Defendan-defendan begitu menyedari tentang reputasi dan nama baik plaintif-plaintif yang menggunakan tanda niaga 'TAMIN' berkaitan item-item makanan dan minuman namun begitu tetap meneruskan penggunaan tanda niaga 'TAMIN' berkaitan produk minuman. Apa yang dilakukan defendan-defendan boleh digambarkan sebagai urusniaga tidak adil dengan tujuan utama memperoleh kelebihan tidak adil dan menggunakan nama baik dan reputasi plaintif-plaintif. Oleh kerana defendan-defendan sewajarnya telah mengetahui tentang kewujudan plaintif-plaintif dalam pasaran, keadaan minda mereka adalah tidak relevan untuk menentukan hak-hak pihak-pihak (lihat perenggan 51 & 56).

(3) Oleh kerana plaintif-plaintif yang pertama memperkenalkan produk-produk TAMIN di Kelantan berdasarkan kaji selidik, plaintif-plaintif tidak boleh dikatakan mengambil peluang untuk menggunakan reputasi defendan-defendan (lihat perenggan 85).

(4) Plaintif-plaintif mempunyai hak-hak yang sah terhadap defendan kerana kelirupaan. Tanda niaga 'TAMIN' telah digunakan dengan eksklusif oleh plainif-plaintif berkaitan produk-produk mereka sehingga produk-produk plaintif-plaintif dikenali di pasaran dengan nama tersebut dan sesiapa yang menggunakan nama tersebut mempunyai niat untuk merujuk kepada produk-produk plaintif-plaintif dan sesiapa yang menggunakan nama tersebut dengan automatik akan memahami bahawa produk-produk tersebut adalah merujuk kepada produk-produk

plaintif-plaintif. Tanda niaga 'TAMIN' secara konsisten dan berterusan digunakan oleh plaintif-plaintif dan ia menjadi seperti lencana dan juga petanda nama baik perniagaan mereka. Tanda niaga 'TAMIN' tersebut dengan jelas merujuk secara tersendiri kepada plaintif-plaintif (lihat perenggan 92 & 122).

(5) Terdapat salah tanggap oleh defendan-defendan yang telah menjejaskan nama baik dan reputasi plaintif-plaintif dengan penggunaan tanda niaga 'TAMIN'. 'Salah tanggapan' adalah bahan penting dalam tindakan untuk kelirupaan. Plaintif-plaintif perlu membuktikan bukan sahaja terdapat salah tanggapan tetapi juga bahawa salah tanggapan tersebut adalah material dan berlaku. Plaintif-plaintif berjaya membuktikan fakta salah tanggapan tersebut (lihat perenggan 147 & 149).

(6) Tiada keperluan menunjukkan bahawa semua atau kebanyakan daripada mereka yang membuat tanggapan salah telah terkeliru. Adalah mencukupi dari segi perundangan bahawa sebahagian besar daripada mereka yang mungkin bakal menjadi pembeli barangan itu pada hakikatnya akan menjadi keliru. Tanda-tanda plaintif dan juga defendan amat mengelirukan dan nampak serupa (lihat perenggan 167 & 169).

(7) Defendan-defendan tidak boleh dibenarkan mendakwa menggunakannya secara jujur walhal niat dan tindakan mereka, menunjukkan mereka tidak jujur sepanjang penggunaan tersebut (lihat perenggan 184).

(8) Plaintif-plaintif tidak perlu membuktikan kekeliruan sebenar. Plaintif-plaintif hanya perlu menunjukkan kebarangkalian tersebut. Berdasarkan keterangan yang dikemukakan, tidak dinafikan terdapat kebarangkalian tersebut (lihat perenggan 204).

(9) Kerugian sebenar tidak perlu dibuktikan. Adalah mencukupi untuk menunjukkan kebarangkalian berlaku kerugian. Oleh kerana pihak-pihak terlibat dalam bidang aktiviti yang sama, kerugian dianggap dan dibuat inferens oleh mahkamah. Namun begitu, kerugian tersebut telah dibuktikan oleh plaintif-plaintif (lihat perenggan 240, 245 & 251).

(10) Kenyataan-kenyataan yang dibuat oleh plaintif-plaintif kepada Bahagian Penguatkuasaan adalah benar dan dengan itu tuntutan fitnah lisan defendan-defendan gagal. Fitnah tidak wujud dan plaintif-plaintif berhak untuk mengadu bagi tujuan melindungi dan mengekalkan hak-hak mereka (lihat perenggan 264).]

Notes

For a case on elements of passing off, see 12 *Mallal's Digest* (4th Ed, 2005 Reissue) paras 1635.

For a case on goodwill and reputation, see 12 *Mallal's Digest* (4th Ed, 2005 Reissue) para 2080.

For a case on similarity of get-up and likelihood of confusion or deception, see 12 *Mallal's Digest* (4th Ed, 2005 Reissue) para 2122.

For cases on damage, see 12 *Mallal's Digest* (4th Ed, 2005 Reissue) paras 2056–2057.

Cases referred to

A/B Helsingfors Manus v RJ Fullwood & Bland Ltd (1949) 66 RPC 71, CA (refd)

AG Spalding & Bros v AW Gamage Ltd [1915] 32 RPC 273, HL (refd)

Alain Bernardin et Compagnie v Pavilion Properties Limited [1967] FSR 341 (refd)

Anheuser-Busch Inc v Budejovicky Budvar NP (trading as Budweiser Budvar Brewery) And Others [1984] FSR 413, CA (refd)

Annabel's (Berkeley Square) Limited v G Schock (trading as Annabel's Escort Agency) [1972] RPC 838, CA (refd)

Asian Organisation Ltd v White Hudson & Co, Ltd [1962] MLJ 139, CA (refd)

Athletes Foot Marketing Associates Inc, The v Cobra Sports Ltd And Another [1980] RPC 343 (refd)

Bar's Leaks (NZ) Ltd v Motor Specialities [1973] RPC 21, FC (refd)

Boh Plantations Sdn Bhd v Gui Nee Chuan & Ors [1975] 2 MLJ 213 (refd)

Borthwick v The Evening Post (1888) 37 Ch D 449, CA (refd)

British Legion v British Legion Club (Street) Ltd (1931) 48 RPC 555 (refd)

Burberrys v JC Cording & Co Ld (1909) 26 RPC 693 (refd)

Cadbury Schweppes Pty Ltd and others v Pub Squash Co Pty Ltd [1981] 1 All ER 213, PC (refd)

Clairol Incorporated v Too Dit Company [1980] 2 MLJ 112 (refd)

Commissioners of Inland Revenue, The v Muller & Co's Margarine, Limited [1901] AC 217, HL (refd)

Cruttwell v Lye (1810) 17 Ves 335 (refd)

Customs and Excise Commissioners v Dearwood Ltd [1986] STC 327 (refd)

Dent v Turpin; Tucker v Turpin [1861] 2 J & H 139 (refd)

DHN Food Distributors Ltd v Tower Hamlets London Borough Council; Bronze Investments Ltd v London Borough of Tower Hamlets; DHN Food Transport Ltd v London Borough of Tower Hamlets [1976] 1 WLR 852, CA (refd)

Dunlop Pneumatic Tyre Company, Limited, The v Dunlop Motor Company, The [1907] AC 430, HL (refd)

Edelsten v Edelsten (1863) 1 De GJ & SM 185 (refd)

Electro Cad Australia Pty Ltd & Ors v Mejati RCS Sdn Bhd & Ors [1998] 3 MLJ 422, HC (refd)

Erven Warnink Besloten Vennootschap and another v Townend & Sons (Hull) Ltd and another [1979] AC 731; [1979] 2 All ER 927, HL (refd)

Excelsior Pte Ltd v Excelsior Sport (S) Pte Ltd [1986] 1 MLJ 130 (refd)

Frank Reddaway and Frank Reddaway & Co, Limited v George Banham and George Banham & Co, Limited [1896] AC 199, HL (refd)

Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd [1999] RPC 367 (not folld)
H & R Johnson Tiles Ltd & Anor v H & R Johnson (M) Bhd [1998] 4 MLJ 13, HC (distd)
HP Bulmer Ltd And Showerings Ltd v J Bollinger SA And Champagne Lanson Pere Et Fils [1978] RPC 79, CA (refd)
Habib Bank Ltd v Habib Bank AG Zurich [1981] 1 WLR 1265, CA (refd)
Hansells (NZ) Ltd v Baillie [1967] NZLR 774, SC (refd)
Harrods Limited v Harrodian School Limited [1996] RPC 697, CA (refd)
Haw Par Brothers International Ltd & Anor v Jack Chiarapurk & Ors [1991] 2 MLJ 428, HC (refd)
Henderson v Radio Corp Pty (1969) RPC 218, CA (refd)
Imperial Group Plc & Another v Philip Morris Limited & Another [1984] RPC 293 (refd)
Irvine v Talksport Ltd [2002] 60 FSR 943 (refd)
JB Williams & Co v Bromley & Co (1909) 26 RPC 765, CA (refd)
JH Coles Proprietary, Limited (In Liquidation) v JF Need [1934] AC 82, PC (distd)
J Bollinger SA and others v Costa Brava Wine Co Ltd (No 2) (1961) RPC 116 (refd)
Kenmir Ltd v Frizzell and others [1968] 1 WLR 329 (refd)
Lam Soon (M) Bhd v Forward Supreme Sdn Bhd & Ors [2001] 6 MLJ 651; [2001] 4 CLJ 673, HC (not folld)
Leather Cloth Company (Limited), The v American Leather Cloth Company (Limited), The [1866] 35 LJ Ch 53 (refd)
Lego System Aktieselskab and Another v Lego M Lemelstrich Ltd [1983] FSR 155 (refd)
Lim Yew Sing v Hummel International Sports & Leisure A/S [1996] 3 MLJ 7; [1996] 4 CLJ 784, CA (refd)
McCulloch v Lewis A May (Produce Distributors), Ltd [1947] 2 All ER 845 (refd)
Midgley (ST) & Sons Ltd v Morris and Cowdery (1904) 21 RPC 314 (refd)
Mun Loong Co Sdn Bhd v Chai Tuck Kin [1982] 1 MLJ 356 (refd)
Newsweek Inc v British Broadcasting Corporation [1979] RPC 441, CA (refd)
New-West Management Group Sdn Bhd & Anor v Ng Ah Kow & Anor [2008] 8 CLJ 18, HC (refd)
Ng Kim Cheng v Naigai Nitto Singapore Pte Ltd & Anor [1991] 2 MLJ 296, HC (refd)
Office Cleaning Services Ltd v Westminster Officer Cleaning Association [1994] 2 All ER 269, CA (refd)
Pakai Industries Bhd v Chen Yew Industries Sdn Bhd [1991] 2 CLJ 1574, HL (refd)
Parker-Knoll Ltd v Knoll International Ltd (No 2) (1962) RPC 265, HL (refd)
Perry v Truefitt (1842) 6 Beav 66 (refd)
R Johnston & Co v Archibald Orr Ewing & Co (1882) 7 App Cas 219, HL (refd)

Reckitt & Colman Products Ltd v Borden Inc and others [1990] 1 All ER 873, HL (refd)
Regent Decorators (M) Sdn Bhd & Anor v Michael Chee & Ors [1984] 2 MLJ 78 (refd)
Revlon Inc and others v Cripps & Lee Ltd and others [1980] FSR 85, CA (refd)
Saville Perfumery Ltd v June Perfect Ltd and Woolworth & Co Ltd (1941) 58 RPC 147 (refd)
Seet Chuan Seng & Anor v Tee Yih Jia Foods Manufacturing Pte Ltd [1994] 2 MLJ 770, SC (refd)
Seixo v Provezende [1865] 1 Ch App 192 (refd)
Sheraton Corp of America v Sheraton Motels (1964) RPC 202 (refd)
Southern v How (1618) Poph 143 (refd)
Star Industrial Company Limited v Yap Kwee Kor (trading as New Star Industrial Company) [1976] 1 MLJ 149; [1976] 2 FSR 256, PC (refd)
Taittinger SA And Others v Allbev Ltd And Another [1993] 20 FSR 641, CA (refd)
Tong Guan Food Products Pte Ltd v Hoe Huat Hng Foodstuff Pte Ltd [1991] 2 MLJ 361, CA (refd)
Tucker v Turpin [1861] 2 J & H 139 (refd)
United Kingdom Tobacco (1929) Ltd, The v Malayan Tobacco Distributors Ltd, The [1933] 2 MLJ 1 (refd)
White Hudson & Co v Asian Organization Ltd [1965] 31 MLJ 186; [1965] 1 All ER 1040, PC (refd)
Wilkinson v Griffith (1891) 8 RPC 370 (refd)
William Edge & Sons, Limited v William Niccolls & Sons, Limited [1911] AC 693, HL (refd)

Legislation referred to

Trade Descriptions Act 1972 (Repealed by Act 730)
Trade Marks Act 1976 ss 82, 82(2)

Appeal from: Civil Suit No D5–22–4760 of 1998 (High Court, Kuala Lumpur)

Naban (Bahri Yeow and Foong Cheng Leong with him) (Lee Hishammuddin Allen & Gledhill) for the appellants/defendants.
S Indran (SF Wong and Chew Chui Yiang with him) (Shearn Delamore & Co) for the respondents/plaintiffs.

Abdul Malik Ishak JCA (delivering judgment of the court):

INTRODUCTION

[1] The parties will be referred to like what they were referred to at the High Court. Thus, Syarikat Zamani Hj Tamin Sdn Bhd and Syarikat Salmi Hj

Tamin Sdn Bhd will be referred to as the 'plaintiffs' while Yong Sze Fun and Yong Mun Leng who were doing business styled as 'Perindustrian Makanan & Minuman Layang-Layang' will be referred to as the 'defendants'.

[2] After a full trial, the High Court gave judgment in favour of the plaintiffs. The plaintiffs' prayers in the statement of claim were allowed with costs with a consequential order that damages be assessed by the registrar. The High Court also dismissed the defendants' counterclaim with costs.

[3] Aggrieved, the defendants appealed to this court. The defendants were the appellants and the plaintiffs were the respondents before us. But, for brevity, we reiterate that the parties will be referred to like what they were referred to at the High Court as the plaintiffs and the defendants respectively.

STATEMENT OF CLAIM

[4] At pp 215–216 of the appeal record at *Jilid* 2, the plaintiffs sought for the following prayers:

(1) An injunction to restrain the Defendants, whether acting by their directors, officers, servants or agents or any of them in combination or otherwise howsoever from doing the following acts or any of them, that is to say:—

(a) passing-off or attempting to pass-off syrups and other goods of a similar description by the manufacture, supply, distribution sales and offer for sales of the same with the trade mark 'TAMIN' or any other trade mark which is deceptively and confusingly similar thereto;

(b) unlawfully appropriating the Plaintiffs' goodwill, reputation and commercial advantage in the field of trade and business relating to sauces and other products of a similar description or assisting any others to do so by the manufacture supply, distribution sales and offer for sales of the same the trade mark 'TAMIN' or any other trade mark which is deceptively and confusingly similar thereto; and

(c) an Order for full discovery of all relevant documents particularly invoices, contracts, customers' records, sales records, delivery orders, customer declaration forms and shipping documents and other documents relating to the Defendants' manufacture, supply, distribution sales and offer for sales of the same the trade mark 'TAMIN' or any other trade mark which is deceptively and confusingly similar thereto.

(2) An order for delivery up to the Plaintiffs or its solicitors or authorised agents for destruction of all the offending goods bearing the 'TAMIN' trade mark in the possession, custody, power or control of the Defendants.

(3) Inquiry as to damages or at the Plaintiffs' option an account of the Defendants' profits in respect of their passing off acts.

(4) Interest.

(5) Costs.

(6) Such further and other relief as the Court may deem fit.

DEFENCE AND COUNTERCLAIM

[5] The defendants in their defence responded to all the paragraphs averred in the statement of claim and the defendants also advanced a counterclaim. In their counterclaim, the defendants sought for the following prayers (see pp 241–243 of the appeal record at *Jilid* 2):

(1) A permanent injunction to restrain the Plaintiffs, whether by their directors, officers, servants or agents or any of them or otherwise howsoever from doing the following acts or any of them, that is to say:—

(a) using any trade mark which includes the word 'TAMIN' or any colourably similar word in relation to cordials, flavourings and syrups;

(b) manufacturing, importing, distributing, selling or offering for sale cordials, flavouring and syrups bearing the trade mark consisting of the word 'TAMIN' not being the products of the Defendants;

(c) advertising in any form whatsoever cordials, flavourings and syrups bearing the trade mark consisting of the word 'TAMIN' not being the products of the Defendants; and

(d) passing-off or attempting to pass-off or causing, enabling or assisting others to pass-off cordials, flavourings and syrups not the cordials, flavourings and syrups of the Defendants as and for the cordials, flavourings and syrups of the Defendants.

(2) An Order for the erasure, removal or obliteration, upon oath, from all infringing goods, material or articles in the possession, custody or control of the Plaintiffs of any label/advertisement consisting of the word 'TAMIN' used as a trade mark in relation to cordials, flavourings and syrups.

(3) An Order for the delivery up to the Defendants, or such other person as the Court may direct, of all infringing goods, material or articles in the possession custody or control of the Plaintiffs, and directions for the disposal thereof by destruction or forfeiture to such person as the Court may think fit.

(4) A permanent injunction to restrain the Plaintiffs, whether by their directors, officers, servants or agents or any of them or otherwise howsoever from further publishing:—

(a) false statements concerning the Defendants' right to manufacture, produce, distribute and sell cordials, flavourings and syrups bearing the Defendants' 'TAMIN' trade mark; and

(b) mis-statements reflecting adversely on the authenticity of the Defendants' said products.

(5) An inquiry as to damages or at the Defendants' option an account of profits in respect of the Plaintiffs' acts of passing-off and payment of all sums found due

A upon taking such inquiry or account together with interest thereon at such rate and for such period as this Honourable Court deems fit.

(6) Damages for slander of goods and slander of title.

(7) Interest.

B (8) Costs.

(9) Such further or other relief and directions as this Honourable Court deems fit and just.

C REPLY AND DEFENCE TO COUNTERCLAIM

[6] The plaintiffs in their reply and defence to counterclaim joined issue with the defendants and in responding to the defendants' counterclaim, the plaintiffs denied every allegation in the counterclaim and contended that the D trademark 'TAMIN' was distinctive of the plaintiffs and not the defendants. The plaintiffs also contended that the issues of confusion and deception arose out of the acts of the defendants and not the plaintiffs. In addition to that, the plaintiffs denied that they passed any disparaging remarks with regard to the E defendants' goods. The plaintiffs averred that they had acted in a bona fide manner in enforcing their rights and the plaintiffs' complaints to the Enforcement Division were done to protect their legitimate expectations.

PASSING-OFF ACTION

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[7] Everything centred on the 'TAMIN' trademark and it became the subject matter of a dispute between the plaintiffs and the defendants.

[8] Lord Halsbury LC succinctly and neatly summarised the meaning of G 'passing off' in *Frank Reddaway and Frank Reddaway & Co, Limited v George Banham and George Banham & Co, Limited* [1896] AC 199 (HL) at p 204, in this way: '… I believe the principle of law may be very plainly stated, and that is, that nobody has any right to represent his goods as the goods of somebody else.'

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[9] A trader has the legal right to protect his business, goodwill or trade reputation emanating from a mark, name, letter, logo, etc. It is the policy of the law that traders must not indulge in unfair trading or dishonest competition by misleading customers and to divert the competitor's business. I

[10] The scope of passing off was extended by Lord Parker of Waddington in *AG Spalding & Bros v AW Gamage Ltd* (1915) 32 RPC 273 (HL). At p 284, His Lordship observed that:

> There appears to be considerable diversity of opinion as to the nature of the right, the invasion of which is the subject of what are known as passing off actions. The more general opinion appears to be that the right is a right of property. This view naturally demands an answer to the question — property in what? Some authorities say property in the mark, name, or get up improperly used by the defendant. Others say, property in the business or goodwill likely to be injured by the misrepresentation.

[11] Lord Parker's observation as to the nature of the proprietary right protected by the passing off action developed the law on passing-off action as a new tort. The facts in *AG Spalding & Bros v AW Gamage Ltd* are quite interesting. The defendants there issued an advertisement announcing a sale of the plaintiffs' footballs at a very low price and representing them as part of the plaintiffs' new improved stock when they were not. Even though both types of footballs emanated from the plaintiffs and there was no deception as to source, the plaintiffs' proprietary right was held to be injured by the defendants' misrepresentation of the plaintiffs' inferior class or quality of footballs as those of a superior class or quality.

[12] The catch phrase 'goodwill', according to Lord MacNaghten in *The Commissioners of Inland Revenue v Muller & Co's Margarine, Limited* [1901] AC 217 at pp 223–224 (HL) referred to 'the benefit and advantage of the good name, reputation, and connection of a business. It is the attractive force which brings in custom'.

[13] Historically, the term 'passing off' appears way back in 1842 in *Perry v Truefitt* (1842) 6 Beav 66. But, its origin can be traced as far back as in 1618 in the case of *Southern v How* (1618) Poph 143 at p 144 where Doderidge J aptly said:

> … an action upon the case was brought in the common pleas by a clothier, that whereas he had gained a great reputation for his making of his cloth, by reason whereof he had great utterance to his great benefit and profit, and that he used to set his mark to his cloth, whereby it should be known to be his cloth: and another clothier perceiving it, used the same mark to his ill made cloth on purpose to deceive him, and it was resolved that the action did well lie.

[14] According to the case of *Edelsten v Edelsten* (1863) 1 De GJ & Sm 185 at p 199 that to succeed in an action for 'passing off' it was necessary to show that the defendant had deliberately adopted the plaintiff's mark or a colourable imitation of it in order to deceive the public.

[15] Lord Eldon LC in *Cruttwell v Lye* (1810) 17 Ves 335 at p 342 granted an

injunction to restrain the defendant in a 'passing off' action, and His Lordship laid down the principle in these erudite terms:

> So there can be no doubt, that this court would interpose against that sort of fraud, which has been attempted by setting up the same trade, in the same place, under the same sign, or name: the party giving himself out as the same person.

[16] Lord Langdale MR in *Perry v Truefitt* at p 73, in a landmark decision, laid down the following principle which has subsequently been widely adopted:

> A man is not to sell his own goods under the pretence that they are the goods of another man; he cannot be permitted to practise such a deception, nor to use the means which contribute to that end. He cannot therefore be allowed to use names, marks, letters, or other indicia, by which he may induce purchasers to believe, that the goods which he is selling are the manufacture of another person.

[17] However, Lord Langdale's expression of the nature of the tort of 'passing off' is narrower than the principles on which the courts act today. But, it is still the basis of the many types of 'passing off' which are now recognised to exist.

[18] Lord Diplock rightly described the tort of 'passing off' as the most protean form of action in English law available at the disposal of a trader who wishes to complain of unfair trading (*Erven Warnink Besloten Vennootschap and another v J Townend & Sons (Hull) Ltd and another* [1979] AC 731 (HL) at p 740; [1979] 2 All ER 927 (HL) at p 931 (the '*Advocaat*' case)).

[19] Earlier on, in 1976, Lord Diplock in *Star Industrial Company Limited v Yap Kwee Kor trading as New Star Industrial Company* [1976] 1 MLJ 149; [1976] 2 FSR 256 (PC), formulated in germane terms the meaning of the phrase 'passing off' in this way (p 269):

> A passing off action is a remedy for the invasion of a right of property not in the mark, name or get up improperly used, but in the business or goodwill likely to be injured by the misrepresentation made by passing-off one person's goods as the goods of another. Goodwill, as the subject of proprietary rights, is incapable of subsisting by itself. It has no independent existence apart from the business to which it is attached.

[20] It makes sense that a claim can only be advanced in relation to a goodwill which subsists in relation to an identifiable business. It is crystal clear therefore that it is injury to the goodwill in a business which is actionable in a claim for passing off.

[21] Lord Lindley in *The Commissioners of Inland Revenue v Muller & Co's Margarine, Limited* at p 235, described goodwill in this way:

> Goodwill regarded as property has no meaning except in connection with some trade, business or calling. In that connection I understand the word to include whatever adds value to a business by reason of situation, name and reputation, connection, introduction to old customers, and agreed absence from competition, or any of these things, and there may be others which do not occur to me.

[22] Pausing here for a moment, the High Court found the defendants liable in passing off for having passed of their cordials and syrups sold under the trademark 'TAMIN' as and for the products of the plaintiffs. More of the law will be alluded to later. Meanwhile, the facts must now be explored.

THE FACTS

[23] The plaintiffs are private limited companies incorporated under the laws of Malaysia and having their registered office in Ipoh, Perak.

[24] The plaintiffs are in a group collectively known and referred to as the 'TAMIN Group of Companies'. At all material times, the plaintiffs carry on the business of manufacturing, selling and distributing a wide variety of food and drink products in Malaysia which include chilli sauce, tomato sauce, soy sauce, syrups, noodles, vermicelli, salted beans and other food stuffs. The plaintiffs' products all carry their distinctive trademark 'TAMIN'.

[25] The 'TAMIN' trademark was first used by the founder of the plaintiffs, one Malay gentleman by the name of Hj Mohd Tamin bin Wahi in 1951. The plaintiffs were incorporated to take over the business owned by Hj Mohd Tamin bin Wahi and at the same time took over the goodwill of the businesses associated thereto particularly in relation to the business of manufacturing, selling and distributing goods bearing the 'TAMIN' trademark.

[26] It is said that the plaintiffs have through their extensive trading and promotional activities established significant goodwill and reputation which originated from their predecessors. Standing on their own, the plaintiffs further enhanced their business activities by using the 'TAMIN' trademark. It is due to these concerted activities and that of their predecessors that the 'TAMIN' trademark is distinctive of the plaintiffs jointly and severally. Consequently, it is the stand of the plaintiffs that they are entitled to exploit the 'TAMIN' trademark to the fullest when used in relation to articles of food and drinks and/or any other products of similar description.

[27] Both the first and the second defendants are individuals with an address

at No 1835, Jalan E5/7, Taman Ehsan, Kepong, 52000 Kuala Lumpur. Both the first and the second defendants are trading in a business known as Perindustrian Makanan & Minuman Layang-Layang with a registered address at No 1347, Jalan 1/33A, Batu 7, Off Jalan Kepong, 52000 Kuala Lumpur.

[28] Now, the defendants *after* the commencement of use of the 'TAMIN' trademark by the plaintiffs *but before* the institution of this action have used a trademark featuring the word 'TAMIN' in 1990 to products like cordials, flavourings and syrups through acts of manufacturing, selling and distribution. The defendants saw it fit to use the 'TAMIN' trademark like their own thereby leading to confusion and deception.

[29] It is the plaintiffs' case that because of the identical nature of the marks used by the defendants and the fact that the respective 'TAMIN' marks employed by the defendants are the same or of the same description like the plaintiffs, it is said that the acts of the defendants would invariably lead to confusion and deception.

[30] Proceeding further, it is the plaintiffs' case that the unsuspecting purchasing public at large would be misled into the false supposition that the goods of the defendants are associated, affiliated or connected with the plaintiffs.

[31] The plaintiffs particularised the particulars of passing off in the statement of claim in this fashion:

a The sale and distribution of cordials and base syrups by the defendants with the trade mark 'TAMIN' by way of trade and commerce in the open market.

b The plaintiffs are unable before discovery to give particulars of all the circumstances but will at the trial of the action seek to recover in respect of all such conduct.

c The raids which were conducted by the Enforcement Unit of the Trade and Consumer Affairs Ministry on the defendants as to the unlawful and offending use of the trade mark 'TAMIN' and seizure of the defendants' goods bearing the offending trade mark 'TAMIN' which is identical and/or confusingly similar to the plaintiffs' trade mark.

[32] It can be surmised that the particulars of the passing off relied upon by the plaintiffs centred on the defendants' manufacture, sale and distribution as well as the general exposure to the public at large of goods bearing the offending 'TAMIN' trademark.

[33] It is the stand of the plaintiffs that they have never authorised nor licensed what the defendants had done.

[34] Naturally, as the night follows the day, that because of the defendants' blatant acts of passing off the plaintiffs suffered loss and damage. A

[35] Because of the defendants' acts of passing off their goods as that of the plaintiffs' goods by using the 'TAMIN' trademark which is confusingly or deceptively similar to that of the plaintiffs, the plaintiffs sought to restrain by way of an injunction against the defendants' acts of manufacturing, supplying, distributing, selling or offering for sale the defendants' goods. B

[36] And because of the defendants' acts of unlawfully appropriating the plaintiffs' goodwill and reputation by the defendants' usage of the 'TAMIN' trademark, the plaintiffs also sought to restrain the defendants by way of an injunction. C

ANALYSIS D

[37] It is not disputed that the defendants, in the course of their business, sold, distributed, supplied and offered for sales articles of drink such as cordials and syrups bearing the 'TAMIN' trademark.

E

[38] It is also not disputed that the usage of the 'TAMIN' trademark by the defendants were focussed on the east coast where the majority of the population are Malays. This was in 1990.

[39] And the use of the 'TAMIN' trademark by the defendants is also not disputed. F

[40] Since the plaintiffs had prior use over the 'TAMIN' trademark in 1951 either by themselves or through their predecessors in title in relation to a vast array of food and drink items, the plaintiffs filed the action against the defendants. In essence, the plaintiffs' claim is for passing off against the defendants. G

[41] By way of a rebuttal, the defendants counterclaimed for passing off and slander to title and goods. But, unfortunately, no evidence was led as to the ingredients of slander to title and goods. H

[42] In regard to the claim of passing off, the defendants alleged in their defence and counterclaim that they were the first parties to use the 'TAMIN' trademark in relation to articles of drink. Flowing from this, the defendants claimed that the plaintiffs came later in point of time in so far as articles of drink were concerned and thus the defendants averred that it was the plaintiffs who had passed their goods as the goods of the defendants. I

[43] It is quite apparent, on perusal of the defendants' defence, that the defendants denied that the plaintiffs manufactured, distributed and sold cordials, flavourings and syrups. The defendants also denied that the plaintiffs had goodwill and reputation in other businesses in relation to the 'TAMIN' trademark. The defendants also denied that the 'TAMIN' trademark was distinctive of the plaintiffs. Finally, the defendants denied that the defendants 'TAMIN' trademark was confusingly and deceptively similar to the plaintiffs' 'TAMIN' trademark.

[44] Again, in their defence, the defendants stated that the plaintiffs were not the proprietors of the 'TAMIN' trademark as the trademark was assigned by Hj Mohd Tamin bin Wahi to Sharifah bt Hj Mohd Tamin. The defendants further stated that the plaintiffs being mere licensees cannot be said to be the proprietors of the goodwill and reputation in respect of the 'TAMIN' trademark. The defendants claimed in their defence that they had used 'TAMIN' trademark since 1990 and therefore they were the first in time to use the 'TAMIN' trademark in relation to cordials, flavourings and syrups. And because of the defendants' first use of the 'TAMIN' trademark in relation to cordials, flavourings and syrups, 'TAMIN' trademark was distinctive of the defendants.

[45] Witnesses were called by the plaintiffs and the defendants during the trial before the High Court. The learned High Court judge had the golden opportunity of evaluating the evidence and seeing the demeanour of the witnesses and ultimately arrived at a decision favouring the plaintiffs. In his grounds of judgment, the learned High Court judge meticulously considered the facts and the law and arrived at a just decision. The facts and the evidence were appreciated and we see nothing wrong with the approach adopted by the learned High Court judge.

[46] As promised, we will now revert back to the law. Wee Chong Jin J (as he then was) in his dissenting judgment in *Asian Organisation Ltd v White Hudson & Co, Ltd* [1962] MLJ 139 (CA) at pp 140–141, which was approved by the Privy Council in *White Hudson & Co v Asian Organization Ltd* [1965] 1 MLJ 186 at p 189, laid down the two basic elements that have to be established in a passing off action:

(a) Firstly, the plaintiff must establish that the particular get up which he has been using has become associated exclusively with his goods, that is, he must categorically establish reputation. The plaintiff must have some distinguishing feature or badge of recognition upon which to found his goodwill or reputation (see also *JB Williams & Co v Bromley & Co* (1909) 26 RPC 765 at p 773; per Sinnathuray J in *Clairol Incorporated v Too Dit Company* [1980] 2 MLJ 112 at p 114; per Lord Salmon in *Cadbury Schweppes Pty Ltd and others v Pub Squash Co Pty Ltd* [1981] 1 All ER 213

(PC) at p 218; per Murison CJ in the *The United Kingdom Tobacco (1929) Ltd v The Malayan Tobacco Distributors Ld* [1933] MLJ 1 at p 7; *Boh Plantations Sdn Bhd v Gui Nee Chuan & Ors* [1975] 2 MLJ 213; per Lord Diplock in *Erven Warnink BV And Another v J Townend & Sons (Hull) Ltd And Another* (the '*Advocaat*' case); *Alain Bernardin et Compagnie v Pavilion Properties Limited ('Crazy Horse Saloon' case)* [1967] FSR 341; *Sheraton Corp of America v Sheraton Motels Ltd* (1964) RPC 202; *Star Industrial Company Ltd v Yap Kwee Kor trading as New Star Industrial Company* [1976] 1 MLJ 149; *The Athletes Foot Marketing Associates Inc v Cobra Sports Ltd and Another* (1980) RPC 343; *Anheuser-Busch Inc v Budejovicky Budvar NP (trading as Budweiser Budvar Brewery) and others* [1984] FSR 413 (CA); and *Ng Kim Cheng v Naigai Nitto Singapore Pte Ltd & Anor* [1991] 2 MLJ 296).

(b) Secondly, the plaintiffs must establish that the defendants' get up is such as is likely to deceive or cause confusion (see also *The Dunlop Pneumatic Tyre Company, Limited v The Dunlop Motor Company* [1907] AC 430 (HL); per George J in *Regent Decorators (M) Sdn Bhd & Anor v Michael Chee & Ors* [1984] 2 MLJ 78 at p 81; *Mun Loong Co Sdn Bhd v Chai Tuck Kin* [1982] 1 MLJ 356; and per Chua J in *Excelsior Pte Ltd v Excelsior Sport (S) Pte Ltd* [1986] 1 MLJ 130 at p 132).

[47] The requirement of goodwill or reputation is certainly an important pre-requisite to an action in passing off.

[48] Thus, the existence and extent of the plaintiffs reputation should be a question of fact and the main consideration should be the likelihood of confusion with consequential injury to the plaintiffs. Such an approach should prohibit others from pirating well known marks like 'TAMIN' which have benefited from the creative efforts and financial nurturing of the trademark owner. It must be emphasised that protection serves the interests of consumers because it protects them against deception in the market place. And, if another person uses the plaintiffs' mark, that person borrows the plaintiffs' reputation, whose quality no longer lies within the plaintiffs' control. The proposition that the law seeks to promote local competition and innovation and does not extend its protection to persons whose goods are not marketed in Kelantan, for instance, can no longer be a good proposition to make. The main consideration should be the likelihood of confusion with consequential injury to the plaintiffs. And where there is such a confusion there is goodwill deserving of protection.

[49] Lord Oliver of Aylmerton in *Reckitt and Colman Products Ltd v Borden Inc and others* [1990] 1 All ER 873 (the '*Jif Lemon*' case) at p 880 remarked that for passing off the plaintiff had to show, inter alia, 'a misrepresentation by the

defendant to the public … leading or likely to lead the public to believe that the goods or services offered by him are the goods or services of the plaintiff'.

[50] Pure and simple, this was a case of passing off. It is entirely factual. The facts must surely relate to the idiosyncrasy of the Malaysian public particularly the Malay housewives who go to the shops to purchase products bearing the 'TAMIN' trademark.

[51] The plaintiffs' case under passing off is that the defendants have indulged in acts which were and are calculated to damage the goodwill and reputation of the plaintiffs and to derive an unfair advantage out of it. We say that the defendants being fully aware of the repute and goodwill of the plaintiffs in their usage of the 'TAMIN' trademark in relation to food and drink items nevertheless bulldosed through and started to use the 'TAMIN' trademark in relation to drink products. To compound the matter further, the defendants complained that it was they and not the plaintiffs who have goodwill and reputation in their business in relation to the 'TAMIN' trademark. We say that what the defendants did can be described as unfair trading with the sole purpose of deriving an unfair advantage and riding on the goodwill and reputation of the plaintiffs.

[52] The memorandum of appeal filed by the defendants contained 25 grounds and they can be seen at pp 22–42 of the appeal record at *Jilid* 1. These grounds overlapped with one another. And invariably the facts too are repeated in order to augment the arguments of the parties. That would be inevitable and must be forgiven. Hard cases make good laws.

THE FIRST GROUND

[53] Ground 1 was worded in this way (see pp 22–24 of the appeal record at *Jilid* 1):

(1) The Learned Judge had erred in fact and/or in law in allowing the Respondents' claim with costs and in dismissing the Appellants' counterclaim with costs, in which based on all facts and evidence, the Learned Judge erred in not holding inter alia, as follows:

(1) The Appellants were manufacturing and distributing cordial, flavourings and syrup using the trade mark 'TAMIN' since 1990. The Appellants have since 1991 used their 'TAMIN' trade mark with the device of a sickle.

(2) The Appellants filed their applications to register the 'TAMIN' trade mark for cordial and syrups in 1990. At the time of filing of the said applications, the Appellants did not know of any other producer of syrup base who uses the trade mark 'TAMIN'. A search conducted by the

Appellants at the Trade Mark Registry does not reveal any registration of 'TAMIN' trade mark or application of the same by anyone else.

(3) The Appellants have started the sales of their products bearing the 'TAMIN' trade mark in Kelantan and have slowly built up very substantial sales from about RM20,000 per year in 1990 to sales of about RM1 million per year in 2000.

(4) The Respondents did not have any presence in the Kelantan market for soy sauce and the Respondents 'TAMIN' soy sauce is virtually unknown in Kelantan.

(5) The Appellants 'TAMIN' syrup is the de facto market leader in the syrup market in Kelantan since at least year 2000 if not earlier.

(6) The consumers in Kelantan have been confused by the Respondents' syrup bearing the 'TAMIN' trade mark, in which at least one third of the Kelantan consumers thought that the Respondents' alleged 'TAMIN' syrup is manufactured by the Appellants.

[54] By way of a summary, in ground 1, the defendants pointed out that the learned High Court judge had erred in not holding that the defendants had been using the 'TAMIN' trademark since 1990. We categorically say that on perusal of the judgment of the High Court, the learned High Court judge did not find this to be a significant issue for the simple reason that the use by the plaintiffs of the 'TAMIN' trademark in relation to articles of drink was earlier than that of the defendants.

[55] The defendants also suggested that when they filed the application to register the 'TAMIN' trademark, they did not know of any other producer of syrup using the 'TAMIN' trademark. In dealing with this issue, this was what the learned High Court judge said (see pp 156–157 of the appeal record at *Jilid* 2):

137.The Defendants further contention was that they had come up with the 'TAMIN' name independently and that they were bona fide in their approach. This contention is difficult to accept. The evidence clearly shows that the Plaintiffs and their predecessors had been using the 'TAMIN' trade mark for a substantial period of time. This being the case, the products of the Plaintiffs have been readily available in the market in Malaysia. For the Defendants to say that they were unaware of the Plaintiffs and their rights is therefore unacceptable and without merit.

138.However, even if we are to accept that the Defendants choice of 'TAMIN' was made bona fide, this cannot be a legitimate defence. As referred in The Law of Passing-off-Christopher Wadlow (Third Edition) (Tab 25 IAP) at page 313:

> The Defendant's state of mind is wholly irrelevant to the existence of a cause of action in passing of.

[56] By way of a response, we have this to say. The defendants must have known of the presence of the plaintiffs in the market. Thus, the defendants' state of mind is irrelevant in determining the rights of the parties. While acknowledging that the defendants did a search at the trademark registry and found that there was no prior application in relation to syrups and cordials, we categorically say that it is irrelevant to the issue of which party has prior rights to the 'TAMIN' trademark. On the available evidence and based on the law, we agree that the plaintiffs must succeed in their claim.

[57] The defendants also suggested that they had built up very substantial reputation in Kelantan and were the de facto market leader there. The learned High Court judge severely criticised this point in his judgment. It must be emphasised that even if these contentions are true, their relevance would only be appreciated if the defendants were the first in time. Since the defendants came after the plaintiffs, the defendants' rights have to be subject to the superior rights of the plaintiffs. In this regard, this was what the learned High Court judge said at p 151 of the appeal record at *Jilid* 2:

> It is trite law that the first to use a mark in Malaysia would prevail. Otherwise it would result in an anomaly in the law in the sense that the first and original user of a mark is defeated by a subsequent user.

[58] The defendants further suggested that the High Court did not consider the fact that the plaintiffs did not have presence in the Kelantan market and that consumers would be confused into thinking that the plaintiffs' 'TAMIN' syrup originated from the defendants. We have since perused the grounds of judgment of the learned High Court judge and we found that His Lordship had considered this aspect of the case. At pp 176–178 of the appeal record at *Jilid* 2, this was what the learned High Court judge said:

> 171.In the case of *Chelsea Man Menswear Ltd v Chelsea Girl Ltd* [1987] RPC 189 (Tab 29 IAP 3), the Courts were reluctant to confine the claimant's goodwill to a particular locality. Similarly in this case, whilst the Plaintiffs initially at least were not active or aggressive in Kelantan, their goodwill by virtue of their trading elsewhere in Malaysia should extend and include Kelantan. With the advent of modern transportation, it is inevitable that the products of the parties would trickle into the other parts of the country.
>
> 172.The Defendants may argue that the decision in the Chelsea Man case actually supports their position in the sense that their local use of 'TAMIN' in Kelantan should give them rights through out Malaysia. This position would only be sustainable if the Defendants were the first users of 'TAMIN' in Malaysia. In such an instance, the Defendants can legitimately claim that their reputation and goodwill would not be limited to the regional location of Kelantan and transcends through the whole of Malaysia. The facts of this case are clearly different. In this case, the Plaintiffs either through themselves or their predecessors had used the 'TAMIN' trade mark since 1951. Since the first use of

the 'TAMIN' trade mark in relation to 'kicap', there has been a significant extension and expansion as to the nature of goods to which the 'TAMIN' trade mark has been used in relation to, initially at least it was in relation to food items such as vinegar, Chili sauce, Tomato sauce, 'tauchu', 'Bi-hun' and a variety of other products. This is clear and undisputed from the facts. Sometime in the 1980s, the evidence of PW1 showed that the 'TAMIN' trade mark was used in relation to drink items. This is corroborated by the evidence of DW6 which showed the existence of the Plaintiffs 'TAMIN' syrups and cordials in the 1980s. Thus clearly, the Plaintiffs were the first in time to use 'TAMIN' in relation to food and drink items in Malaysia. This being the case, the Chelsea Man decision would support the Plaintiffs case, notwithstanding the fact that they may not have used the 'TAMIN' trade mark extensively in Kelantan in the early days. Since their rights to the 'TAMIN' trade mark clearly stand in priority over the rights of the Defendants, it is their case in passing-off that should be entertained and not the Defendants'. This would naturally mean that the Defendants counterclaim against the Plaintiffs for passing-off should fail.

173.As the Plaintiffs were the first in time to use 'TAMIN', it is they who should prevail over such use. To hold otherwise would give rise to an absurd situation. It would mean that just because a party who has been using his trade mark in a bona fide way has not aggressively used his trade mark in a given locality (whilst aggressive in other parts of the country), he would be deprived of such use by a subsequent user who was more aggressive (only in the said locality). Surely the Court cannot arrive at such a finding simply because it is trite law that the first in time should not have his rights altered or removed, by the subsequent unauthorised action.

[59] Indeed, we have the evidence of Sharifah bt Hj Mohd Tamin ('PW1'), the daughter of the late Hj Mohd Tamin bin Wahi — the founder of the 'TAMIN' trademark, who in her evidence-in-chief dealt with the history of usage of the 'TAMIN' trademark. She narrated how her late father started his business in 1951. And that 'TAMIN' was used as a trademark as it represented the name of her late father and that it was quite sensible that the business should reflect the identity of the founder.

[60] According to PW1, her late father's business started of in producing and selling 'kicap'. It prospered and expanded. The write ups are part and parcel of exh P5 and they can be seen at pp 794–796 of the appeal record at *Jilid* 4 and they should be referred to. It makes for an interesting reading material of the success of a Malay entrepreneur. With the photograph of the founder of the 'TAMIN' trademark in exh 'P5', the write ups described the history of the 'TAMIN' trademark in this way:

The story of Kicap Tamin began in 1951 when the late Tuan Haji Mohd. Tamin (left) produced it on a small scale in Batu Gajah, Perak.

With a capital of just RM10 but lots of determination, Tuan Haji Mohd. Tamin's cottage industry produced about 700 bottles a day with the help of his family members. Even though the production was small, cleanlines, quality and taste were not compromised. Ingredients like soya beans, wheat flour and others were carefully selected and combined to ensure the fine quality of the sauce.

After a year, the demand for Kicap Tamin grew beyond expectations. The product were by then well known amongst the housewives and consumers in the kampung vacinity. Kampung children who travelled or migrated to the cities also brought with them Kicap Tamin, thereby introducing people in the cities to the delicious and delightful taste of the sauce.

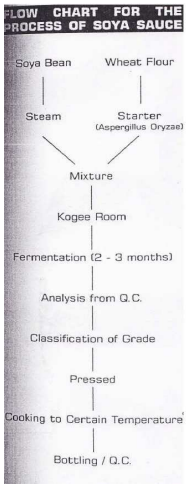
To meet the increasing demand, Tuan Haji Mohd. Tamin stepped up productions to 3,500 bottles per day. The popularity of the sauce and the increasing demand eventually prompted Tuan Haji Mohd. Tamin to expand his business by building a factory in Enggor, not far from the royal town of Kuala Kangsar, Perak. More staff were also employed to help increase the production to 9,000 bottles a day. Kicap Tamin were by now marketed in the whole Peninsula Malaysia.

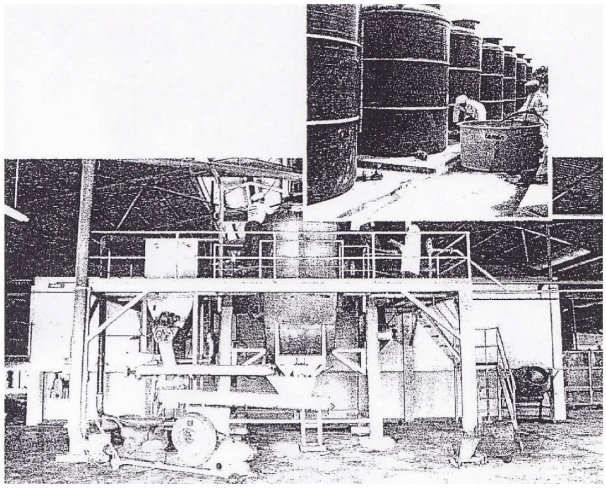
OUR PROGRESS

As years passed and the demand for the sauce increased, Tuan Haji Mohd. Tamin purchased a semi-automatic machine to assist his family and staff to bottle the sauce and later a fully automatic machine which could bottle the sauce to a level of 22,000 bottles a day.

To ensure and guarantee consistent quality, a special laboratory was built within the Kicap Tamin factory to analyse and manage the output of the sauce as well as to fulfil the country's high demand for quality.

The two Kicap Tamin factories in Batu Gajah and Kuala Kangsar, spread over a total area of three acres, presently employs 250 staff and workers. Using modern technology and machinery, the two factories are able to produce 80,000 bottles a day.

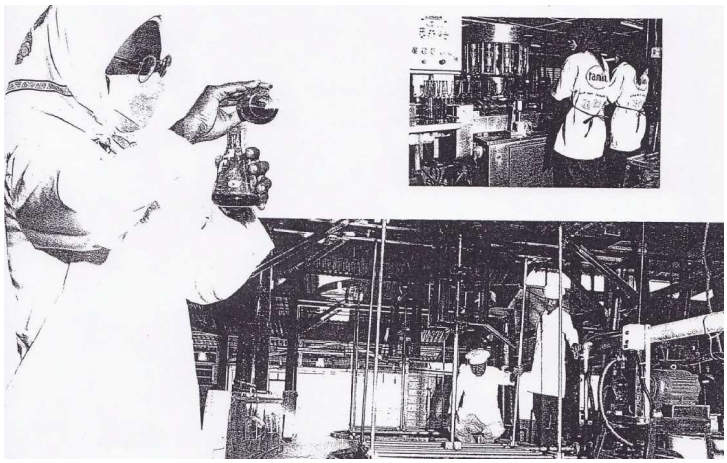




Even with this new scale of production, the quality and taste of the sauce was maintained as that produced in 1951.

The first sauce produced by Tamin was the Istimewa. The number of sauces grew as the demand increases and today, the two factories in Batu Gajah and Enggor produce a wide variety of sauces, catering to all.

Tamin will continue to be sensitive to the needs of the masses and every new product will be out through stringent laboratory tests before it reaches the market.



[61] The plaintiffs were incorporated in 1988 to take over the businesses of Syarikat Salmi Hj Tamin Sdn Bhd and Syarikat Zamani Hj Tamin Sdn Bhd. To be precise the former was incorporated on 6 January 1988 and the latter on 14 January 1988. The memorandum and articles of association of the plaintiffs marked as exhs P1 and P2 are documents that cannot be challenged. The objects for establishing Syarikat Salmi Hj Tamin Sdn Bhd and Syarikat Zamani Hj Tamin Sdn Bhd are identical and diverse and they extend to 49 items. Some of the relevant objects will now be reproduced (see p 1085 of the appeal record at *Jilid* 5):

(1) To acquire and take over as a going concern the undertaking and the goodwill of such business and the whole or any part of the real and personal property and rights, its licences and all or any of the assets and liabilities of the partnership business of SYARIKAT SALMI HAJI TAMIN.

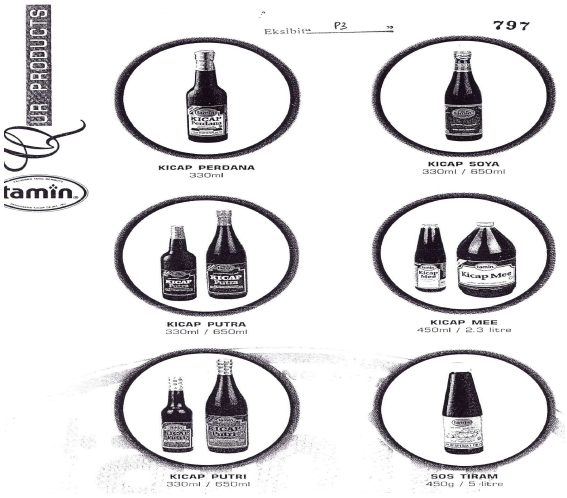
(2) To carry on the business of manufacturers of chilly sauce, tomato sauce and sauces of all kinds, fruit juice and soft drinks of all kinds, instant noodles and canned foods and to can, manufacture, buy, sell improve, treat, preserve bottle and otherwise deal in all kinds of foodstuffs, tea, coffee, cocoa, and other food beverages and preparations, and to purchase, possess, pack, store, transport and sell all kinds of foods either raw or pre-cooked and to import and sell live animals, meat and similar foodstuff and to operate slaughter houses and to provide canning, quick freezing and storage premises, warehouses, sheds necessary or expedient for the above purposes or for renting out to other food producers and also to produce by products such as animal foods and fertilizers from waste foods or foods which are not suitable for human consumption.

(3) To carry on the business as manufacturers and dealers in plant, machines, machinery, vessels syphons, filters, bottles, cans, apparatus, appliances, and receptacles of all kinds for canning, manufacturing, improving, treating and preserving every description of foodstuffs and other food beverages.

(4) To carry on the business of importers and exporters and wholesalers and retailers and distributors of Rice and padi, foodstuffs, provisions, general merchandise, general agents, commission agents, general store-keepers, and holders of registered patent and trade mark rights and to buy, sell, import, produce, manufacture or otherwise deal in ice cream, tin provision, food and food products, meat, groceries, fruits, confectionery, wine, spirit, beer and alcoholic beverages.

[62] It is quite apparent that the nature of the plaintiffs' business relate to the manufacture, distribution and sales of various articles of food and drink and they all carry the 'TAMIN' trademark. PW1 further relied on exhs P3 and P4 which were the plaintiffs' brochures showing the range of the 'TAMIN' trademark in relation to a wide range of products.

[63] Exhibit P3 can be seen at pp 797–800 of the appeal record at *Jilid* 4 and they reflected the products of the plaintiffs bearing the 'TAMIN' trademarks. For the avoidance of doubt, exh P3 will now be reproduced:



A

B

C

D

E

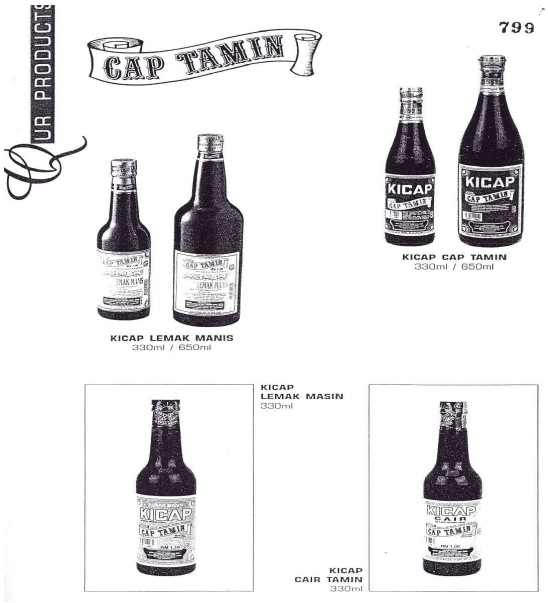
F

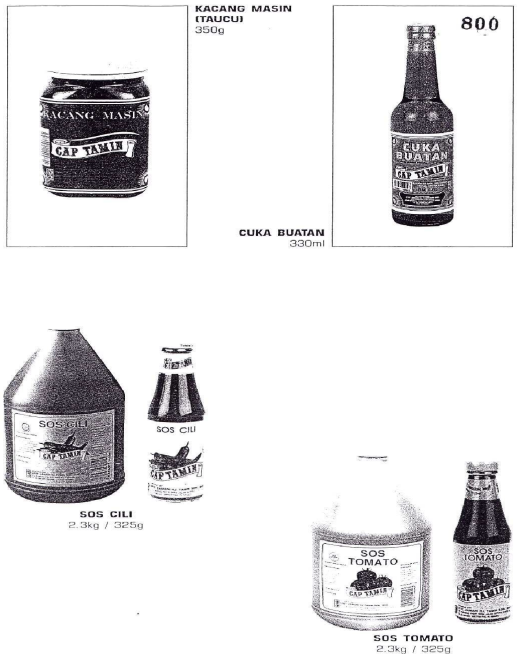
G

H

I

798
KACANG MASIN (TAUCU)
350g
BIHUN PERDANA
400g / 1kg
CUKA BUATAN
330ml
KERISIK KELAPA
50g / 150g / 1kg
SOP TULANG
CENCALUK
250g

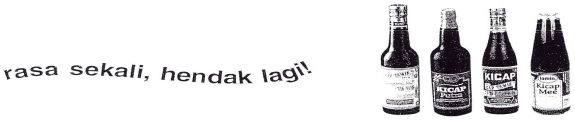

OUR PRODUCTS
CAP TAMIN
799
KICAP
CAP TAMIN
KICAP CAP TAMIN
330ml / 650ml
KICAP LEMAK MANIS
330ml / 650ml
KICAP
LEMAK MASIN
330ml
KICAP
CAIR TAMIN
330ml



[64] Exhibit P4 can be seen at p 2010 of the appeal record at *Jilid* 8 where the products of the plaintiffs are reflected. Again for the avoidance of doubt, exh P4 will now be reproduced:

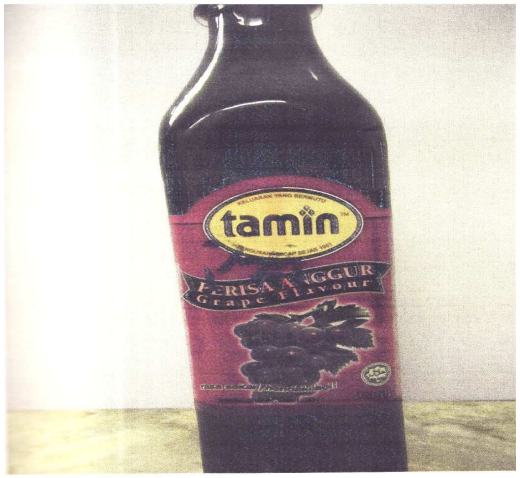
Eksibit P4
Eksibit P5
2010
PRODUK BERMUTU
KELUARAN YANG BERMUTU
tamin
PENGISAHA KICAP SEJAK 1951
CANTIK • WANGI • SEDAP • • BANYAK
rasa sekali, hendak lagi!
CAP TAMIN
Sejak 1951
Pengeluar dan Pengedar:
SYKT. SALMI HJ. TAMIN SDN. BHD.
KM 40, Jalan Ipoh, 33600 Enggor, Perak Darul Ridzuan.
Tel: 05-757 6577, 757 6748 Fax: 05-757 6025
Web Page: http://www.tamin.com.my E-mail: salmi@tamin.com.my
SYKT. ZAMANI HJ. TAMIN SDN. BHD.
223, Kg. Pasir Baru, Batu Gajah, Perak Darul Ridzuan.
Tel: 05-366 1620, 366 3700 Fax: 05-366 4301

[65] There is exh P5 as seen at pp 792–800 of the appeal record at *Jilid* 4. For the avoidance of doubt, we will only reproduce p 792 of the appeal record at *Jilid* 4 that carried an attractive caption 'rasa sekali, hendak lagi':



[66] Various coloured bottle products of the plaintiffs bearing the 'TAMIN' trademarks are very attractive. They have been marked as exhs P12–P33 and they can be seen at pp 3022–3043 of the appeal record at *Jilid* 11. For the avoidance of doubt, only exhs P28, P29, P30, P31, P32 and P33 are drink products of the plaintiffs and they will now be reproduced:

P28


tamin
PERISA ANGGUR
Grape Flavour

P29

PERISA
ROS
ROSE FLAVOUR
tamin
rasa sekali, hendak lagi

P30

tamin
PERISA LAICI
Lychee Flavour
350ml
www.tamin.com.my

P31

tamin
PERISA JAGUNG
Sweetcorn Flavour
350ml

P32

P33

[67] Again, various coloured bottle products of the plaintiffs bearing the 'TAMIN' trademarks are found at pp 3022–3036 of the appeal record at *Jilid* 11 and they are marked as exhs P12–P27 and, for the avoidance of doubt, they will now be reproduced:

P12

P13

P14

P15

LEMAK MASIN
KICAP
CAP TAMIN

tamin

A

B

C

D

E

F

G

H

I

tamin
KICAP SOY
P22

tamin
KICAP
Perdana
SOY SAUCE
P23

A

B

C

D

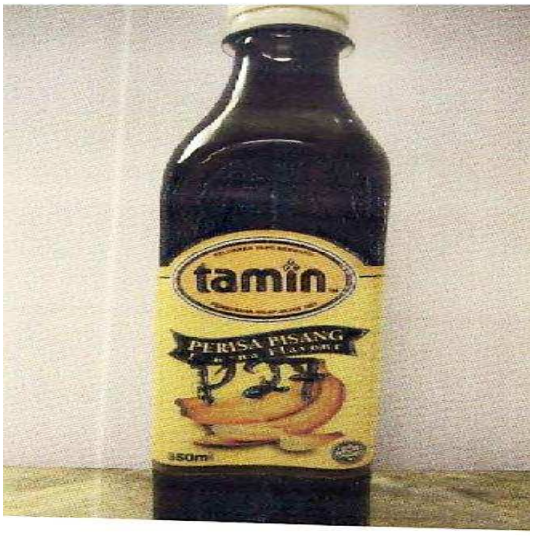
E

F

G

H

I



P27

[68] PW1 immersed herself in the businesses of the plaintiffs since its incorporation and in the businesses of the plaintiffs' predecessors in title for a considerable period of time where she helped her father in the said businesses.

[69] Early use of the 'TAMIN' trademark by the late Hj Mohd Tamin bin Wahi and the plaintiffs' other predecessors in title cannot be denied. And the

earlier invoices of the sale of the plaintiffs' products bearing the 'TAMIN' trademark like exhs 'P8' and 'P9' constituted clear evidence showing the wide usage of 'TAMIN' in relation to a wide range of different food and drink products.

[70] According to PW1, the goodwill and reputation of the business to which the 'TAMIN' trademark was used belonged to the plaintiffs.

[71] The range of products produced and manufactured by the plaintiffs and marked as exhs P12–P33 are indicative of the constant and consistent expansion of the plaintiffs since 1951 where the plaintiffs and their predecessors in title gained significant goodwill and reputation in their business in relation to the usage of the 'TAMIN' trademark.

[72] Although 'kicap' was the first product produced by the late Hj Mohd Tamin bin Wahi, yet the evidence that was led before the learned High Court judge illustrates a singular point and that would be that 'TAMIN' trademark was used in relation to a wide range of food and drink products. From the earlier invoices, it can be surmised that the plaintiffs' predecessors had used 'TAMIN' trademark in relation to various products from the 1980s which was well before the usage of 'TAMIN' by the erstwhile defendants.

[73] Indeed PW1 testified that the usage of the 'TAMIN' trademark in the Kelantan market started since 1980s notwithstanding the fact that the presence of the plaintiffs and/or their predecessors was not that extensive. At para 24 of PW-1A, PW1 aptly said:

> Di Kelantan, perniagaan arwah bapa saya wujud sejak 1980an.

[74] In regard to syrups and cordials, the plaintiffs' predecessors had being using 'TAMIN' as a source identifier since the 1980s. The evidence of PW1 on this point was in this manner:

> TAMIN telah digunakan berhubung dengan barangan minuman seperti bes syrup sejak 1980an oleh Syarikat Zamani Hj Tamin Sdn Bhd (see paragrpah 1 of PW-1B).

[75] The defendants argued that they should be allowed to use the 'TAMIN' trademark for syrups in Kelantan. But the defendants conveniently overlooked that the plaintiffs and their predecessors in title have been using the 'TAMIN' trademark since 1951. In point of time, the plaintiffs and their predecessors in title used the 'TAMIN' trademark earlier than the defendants. In our judgment, from the available evidence the defendants had deliberately adopted the plaintiffs' mark or a colourable imitation of it in order to deceive the Kelantan public at large. We will, in the course of this judgment, produce the

defendants 'TAMIN' trademark with a sickle device to show the extent of the deception perpetrated by the defendants.

THE SECOND GROUND

[76] This ground was worded in this way (see pp 24–25 of the appeal record at *Jilid* 1):

2. The learned Judge had erred in fact and/or in law in relying on part of the oral evidence of the Respondents' witnesses, in particular 'PW1' and 'PW2' and/or in all circumstances of the case, to hold, inter alia, as follows:

   (1) the 'TAMIN' trade mark had been used by the Respondents' predecessor not in relation to 'kicap' only but to a variety of products;

   (2) the Respondents have extended their usage of 'TAMIN' trade mark from at least the early 1980s to a variety of products not just limited to 'kicap' and includes rose syrups;

   (3) whilst the registered 'TAMIN' trade marks were in the name of 'PW1', this would not affect the rights to the mark in common law; and

   (4) that cordials and syrup bases were produced by the Respondents and their predecessors since 1980s.

[77] Having read the evidence of PW1 in its correct perspective, we are of the view that the learned High Court judge correctly assessed the evidence in its entirety. His Lordship considered exhs P12–P51 as well as the invoices and these exhibits demonstrated the stand adopted by him.

[78] To argue that the learned High Court judge was wrong in holding that the plaintiffs had been using the 'TAMIN' trademark in relation to syrups in the 1980s, is, to say the least, an argument that is without merit. In reality, an assessment of the evidence of PW1 with that of the evidence of Mr Lim Yit Foong ('DW6') would support the learned High Court judge's assessment of the facts and the evidence in favour of the plaintiffs.

[79] Sometime around October 1999, DW6 was approached by Mr Tai Foong Lam the defendants' solicitor, to conduct research on behalf of the defendants. DW6 is a graduate in Mathematics and Statistics (BSc (Hons)) from the University of Malaya and is a director of Central Force Malaysia, a company that offers market research services specialising in fieldwork services. According to DW6, he was asked to do research aimed at assessing the perceptions of drink concentrate buyers as to whether there was confusion between Tamin syrups produced by the plaintiffs and Tamin syrups produced by the defendants in the Kelantan market.

[80] The targets of the survey were Malay housewives who made purchases for the households focussing on urban, semi-urban and rural areas. Two hundred and one Malay housewives were interviewed based on prepared questions. Twenty interviewers were employed to conduct the survey.

[81] DW6 reported that the survey indicated that the defendants' products figured prominently in Kelantan in that it was on the number one spot in Kelantan. But, unfortunately:

(a) DW6's report does not show that the products of both the plaintiffs and the defendants were shown to 201 Malay housewives at the time of the interview; and

(b) that DW6 did not personally interview 201 Malay housewives.

[82] The survey also indicated that 33% had been using the TAMIN syrups for more than ten years. However, it is worthwhile to note that the Malay housewives were not asked whether it was the plaintiffs' TAMIN's syrup or the defendants' TAMIN's syrup that they were referring to. The cross-examination of DW6 showed that no interviews were conducted after 26 March 2000. Now, Yong Sze Fun ('DW1') testified that the earliest date of the introduction of the defendants' TAMIN products was in October 1990. This meant that the defendants' TAMIN products could not have been the TAMIN products referred to by the 33% of the Malay housewives bearing in mind that the defendants' TAMIN products had not yet been in the market for more than ten years at the time when the interviews were completed by 26 March 2000. And given the fact that the plaintiffs' TAMIN products were in Kelantan since 1980s based on the evidence of PW1, the TAMIN products referred to by the 33% of the Malay housewives must have been the plaintiffs' TAMIN products.

[83] In regard to Chart 12 of the survey as seen at p 2552 of the appeal record at *Jilid* 10, it must be noted that 29% of the Malay housewives said that they had been using the defendants' TAMIN products for more than ten years. With respect, this cannot be correct because ten years before the interview would be in March 1990 and at that time the defendants had yet to introduce their TAMIN products in Kelantan. In all likelihood, the Malay housewives who were interviewed were using the plaintiffs' TAMIN syrups at that time in Kelantan.

[84] It cannot be denied that the plaintiffs' 'kicap' products using the 'TAMIN' trademark made its presence in the Kelantan market. Flowing from this, it is our judgment that the TAMIN products of the plaintiffs were known to the consumers in Kelantan.

[85] The averment that the plaintiffs were riding on the goodwill of the

defendants is certainly misleading. In our judgment, as the plaintiffs were the first in point of time to introduce the TAMIN products in Kelantan based on the survey, the plaintiffs could not be said to be riding on the reputation of the defendants. In reality, the plaintiffs had used the 'TAMIN' trademark first and therefore it is mischievous to suggest that the plaintiffs were riding on the reputation of the defendants.

[86] It was also suggested that the learned High Court judge was wrong in holding that while the registered 'TAMIN' trademarks were in the name of PW1, this would not affect the common law rights to the mark. It must be stressed that the learned High Court judge's findings on this question of law has its support from the Trade Marks Act 1976. The learned High Court judge admirably dealt with this issue in this way (see pp 128–129 of the appeal record at *Jilid* 1):

> 93. Firstly the trade marks raised by the Defendants are registered trade marks under the Trade Marks Act 1976 and the licences relied upon relate to the said registered trade marks. It is important to note that the present cause of action is one in passing off and does not deal with trade mark infringements under the Trade Marks Act 1976. The law in relation to this issue is clear and straightforward. As a matter of fact, the Trade Marks Act 1976 which regulates the law vis a vis registered trade marks expressly preserves the rights in passing off. In this regard, the Court wishes to rely on section 82(2) of the Trade Marks Act 1976:
>
> > … nothing in this Act shall be deemed to affect the right of action against any person for passing off of goods (or services) as those of another person or the remedies in respect thereof.
>
> 94. This being the case, the Defendants contentions that the registered trade marks bearing representations of 'TAMIN' are in the name of Sharifah binti Haji Tamin and licensed to the Plaintiffs thus precluding the Plaintiffs to institute this cause of action do not hold any water.

THE THIRD GROUND

[87] This ground is quite lengthy. It was worded in this way (see pp 25–35 of the appeal record at *Jilid* 1):

> 3. In this regard, the Learned Judge had erred in not assessing and/or not sufficiently and/or adequately assessed the Respondents' witnesses own oral evidence, namely 'PW1' and/or 'PW2', particularly against the probabilities of the case and with the Respondents' own documents, which show, inter alia, as follows:
>
> > (1) The 'TAMIN' used by the Respondents originated from the business of Haji Mohd Tamin bin Mat Wahi ('Mohd Tamin') in 1951 that makes soya souce.

(2) In 1978, when the business of Mohd Tamin was expanded, two partnerships were formed, namely, Syarikat Salmi Haji Tamin and Syarikat Zamani Haji Tamin.

(3) The partners of Syarikat Salmi Haji Tamin were, inter alia,:

(i) Mohd Tamin;

(ii) Rahmah bte Don;

(iii) Sarina bt. Rodzi;

(iv) Laila bte Mohd Tamin;

(v) Meor Abdullah bin Meor Jaafar; and

(vi) Baharum.

(4) The partners of Syarikat Zamani Haji Tamin were:

(i) Mohd Tamin;

(ii) Hjh Zan bte Alang Manap;

(iii) Khairun bt Mohd Tamin;

(iv) Norazizan; and

(v) Four others.

(5) Although the business assets of Mohd Tamin was moved into the said partnerships respectively, the 'TAMIN' trade mark was still owned by Mohd Tamin.

(6) Mohd Tamin allowed the said partnerships to use the 'TAMIN' trade mark and Mohd Tamin continue to trade using the 'TAMIN' trade mark after the said partnership were in operation.

(7) Both the Respondents were incorporated in 1988. The 1st Respondent commenced business in 1988 and the 2nd Respondent commenced business in 1991.

(8) After the incorporation of the Respondents, Mohd Tamin continue to own the 'TAMIN' trade mark and granted licence to the Respondents to use the 'TAMIN' trade mark. In 1991, Mohd Tamin assigned the 'TAMIN' trade mark to Sharifah bt Haji Mohd Tamin ('Sharifah').

(9) Sharifah then granted licence to the Respondents to use the 'TAMIN' trade mark.

(10) Sharifah also granted licence to another company, Syarikat Maju Tamin Trading (M) Sdn Bhd to use the 'TAMIN' trade mark.

(11) In 1993, Syarikat Maju Tamin Trading (M) Sdn Bhd was marketing syrup under the 'TAMIN' trade mark which were manufactured by a 3rd party.

(12) In 1999 or early 2000, the 1st Respondent only started production of syrup under the trade mark 'TAMIN' when Syarikat Maju Tamin Trading (M) Sdn Bhd no longer produces syrup.

(13) The Respondents were and are at all material times producers and

distributors of soy sauce and related food products and the principal activity of the Respondents did not change since its incorporation in 1988 until 1998.

(14) Sharifah became the registered proprietor of all 'TAMIN' trade marks in respect of 'Sos Berperisa Tiram', 'Sos Tomato', Sos Cili', 'Bihun Perdana', 'Kerisik Kelapa', 'Kacang Masin', 'Sos Tulang' and 'Perisa Ros Tamin' on or about 1996.

(15) Although the invoices of the Respondents' predecessor, namely, Mohd Tamin, Syarikat Salmi Haji Tamin and Syarikat Zamani Haji Tamin, and the Respondents show a variety of products and the variety of products were extended from time to time, the range of products are restricted as follows:

(i) based on the printed invoices of Mohd Tamin issued between March 1983 and March 1994, the business of Mohd Tamin only produced 6 products which were soy sauce, vinegar, chilli sauce, tomato sauce, salted beans and spice powder;

(ii) based on the printed invoices of Syarikat Salmi Haji Tamin issued between May 1989 and December 1989, the partnership only produced 5 products which were soy sauce, vinegar, chilli sauce, tomato sauce and salted beans;

(iii) based on the printed invoices of Syarikat Zamani Haji Tamin issued between March 1984 and January 1988, the partnership only produced 7 products which were soy sauce, vinegar, chilli sauce, tomato sauce, salted beans, oil and spices;

(iv) based on the printed invoices of the 1st Respondent issued between November 1993 and December 1993, the 1st Respondent only produced 4 products which were soy sauce, vinegar, chilli sauce and tomato sauce;

(v) based on the printed invoices of the 1st Respondent issued between August 1996 and June 2001, the 1st Respondent only produced 4 products which were soy sauce, vinegar, chilli sauce and tomato sauce;

(vi) based on the printed invoices of the 2nd Respondent issued between May 1996 and March 1998, the 2nd Respondent only produced 2 products which were soy sauce and vinegar;

(vii) an analysis of the additions to the printed invoices will show certain products were added to Syarikat Salmi Haji Tamin on the earliest date as follows:

(a) 'bihun' in 1986;

(b) kicap lemak manis' and 'kicap cap Tamin' in 1996;

(c) 'sos tiram' in 1997;

(d) 'sirap ros', 'kerisik', 'kicap mee Tamin', 'asam jawa', 'belacan', 'serai' and 'asam keping' in 1998; and

(e) kicap istimewa', 'kicap perdana', 'taucu', 'sirap sarsi', 'kicap cair', 'kicap lemak masin', 'sos cili', 'garam halus', 'Kentucky flour' and 'tepung ubi kayu' in 2000 and/or 2001.

(viii) an analysis of the additions to the printed invoices will show certain products were added to Syarikat Zamani Haji Tamin on the earliest date as follows:

(a) 'Kicap cair', 'Minyak' and 'Kicap Mee' in 1990;

(b) 'Bihun' and 'Cencaluk' in 1996;

(c) 'Sirap ros', 'asam jawa', 'kicap perdana', 'kicap putri', 'kicap putra', 'kicap lemak manis', 'sos soya', 'sup tulang', 'sos tiram', 'sos cili', 'sos tomato' and 'taucu' in 1997;

(d) 'Kerisik' and 'Kentucky powder' in 1998;

(e) 'Tepung ubi kayu' and 'tepung jagung' in 2000; and

(f) 'sirap anggur' and 'sirap sarsi' in 2001.

(ix) although there were allegations that Syarikat Zamani Haji Tamin had manufactured syrup in 1980s, 'PW1' herself confirmed that there were no invoice to substantiate her allegations of the sale of syrup at all;

(x) the Respondents' witnesses have confirmed that the Respondents are only involved in manufacturing and distributing ketchup, soy sauce and products related thereto; and

(xi) the documentary evidence showed that the Respondents only expanded into food products other than sauces in the late 1990s.

With regard to the above matters, the Learned Judge had erred in fact and/or in law in not referring to and/or relying on the acts and deeds of 'PW1' and 'PW2' which are contemporaneous with the event and to draw the reasonable inferences from them as stated above. The Learned Judge had further erred in fact and in law in relying on 'PW1' and 'PW2' subsequent version of it, particularly when they are witnesses with purpose of their own to serve and/or that they did not account for the statements in those relevant documents and writings and/or that their allegations are unsupported by any documentary evidence.

[88] The following issues were highlighted by the defendants in this ground:

(a) that the 'TAMIN' trademark was first used by Hj Mohd Tamin bin Wahi;

(b) that the plaintiffs were licensed to use the 'TAMIN' trademark by Hj Mohd Tamin bin Wahi and later by PW1 — Sharifah bt Hj Mohd Tamin; and

(c) the range of products of the plaintiffs had only increased in the late 1990s.

[89] The factors alluded to by the defendants in this ground cannot support the contentions of the defendants. The reasons are not too far to seek. It must be emphasised that there is no dispute whatsoever that the 'TAMIN' trademark was first used by its founder — Hj Mohd Tamin bin Wahi. This was in 1951 and it was principally used in relation to 'kicap'. This is not disputed and it is the evidence and it is also how the evidence was led from the very beginning. The evidence also showed that the plaintiffs took over the business from their predecessors in title. That the evidence is clear and undisputed can be seen in:

(a) the memorandum of association of Syarikat Salmi Hj Tamin Sdn Bhd as alluded to earlier; and in

(b) the memorandum of association of Syarikat Zamani Hj Tamin Sdn Bhd as alluded to earlier as well.

[90] In regard to the issue of license relied upon by the defendants, we categorically say that it is not a material issue to the appeal before us for the reasons which we have furnished above. We say that in essence, the trademarks referred to above relate to registered trademark rights. Section 82 of the Trade Marks Act 1976 (Act 175) clearly stipulates that the provisions of the Trade Marks Act 1976 do not affect the rights of a party at common law. For convenience, s 82 of the Trade Marks Act 1976 (Act 175) is now reproduced:

82 Unregistered trade marks

(1) No person shall be entitled to initiate any action to prevent or to recover damages for the infringement of an unregistered trade mark.

(2) Notwithstanding subsection (1), nothing in this Act shall be deemed to affect the right of action against any person for passing off goods or services as those of another person or the remedies in respect thereof.

[91] The basis of the plaintiffs' claim against the defendants hinged on the common law action of passing off where the property that is protected is the goodwill of the business. Suffice for us to say that goodwill is generated through and by way of trading activities. Since goodwill is attached to a business, it follows that one has to be conducting business in order to claim that one has goodwill and/or reputation. The evidence showed that PW1 — Sharifah bt Hj Mohd Tamin, did not conduct business in her own personal capacity. This fact is not disputed nor contested. Now, the business where the 'TAMIN' trademarks were used were that of the plaintiffs and their predecessors. And they were the ones who generated business through their activities of manufacturing, distributing, supplying, offering for sale and selling of various food and drink items — all bearing the 'TAMIN' trademark. In our judgment, it is the plaintiffs that own the goodwill and reputation attached to the business particularly with reference to the 'TAMIN' trademark. It is also our judgment, that it is the plaintiffs who would suffer damages if the rights to the 'TAMIN'

trademark are infringed. Our judgment would also be that it is the plaintiffs' business that would suffer from the unlawful activities of the defendants. Rightfully, it should be the plaintiffs who should be claiming for passing off to protect their goodwill and reputation. To hold otherwise would be perverse in the extreme. We are of the view that we should not take an overly technical and pedantic approach in the matter and that we should not defeat a very good claim that the plaintiffs are advancing against the defendants.

[92] The plaintiffs have legitimate rights to proceed against the defendants for passing off. 'TAMIN' trademark has been so exclusively used by the plaintiffs in connection with the manufacture or with the products that the plaintiffs sell to such an extent that the plaintiffs' products have come to be known in the market by that name and that anyone using that name would intend to refer to the plaintiffs' products and that anyone to whom the name was used would automatically understand that the plaintiffs' products were being referred to.

[93] It is a universal practice to mark goods with a name, device or some other unique feature to distinguish them from the goods of someone else. It is because of this that recognition is accorded to a cause of action based on passing off.

[94] 'TAMIN' trademark represents the mark of the plaintiffs and it is part of the goodwill of the plaintiffs' business. No other competitor or manufacturer has the right to use the 'TAMIN' trademark which belongs exclusively to the plaintiffs. In the words of Lord Cranworth LC in *Seixo v Provezende* (1865) 1 Ch App 192 at p 196:

> Where, therefore, a manufacturer has been in the habit of stamping the goods which he has manufactured with a particular mark or brand, so that thereby persons purchasing goods of that description know them to be of his manufacture, no other manufacturer has a right to adopt the same stamp.

[95] Now, the defendants suggested that the plaintiffs only increased their range of products in the late 1990s. Towards this end, the defendants made reference to the following facts and even drew inferences from them:

(a) that the invoices showed a decline in the products listed therein; and

(b) that the audited accounts showed that the principal activity of the plaintiffs since its incorporation was the production of soy sauce and that the principal activity did not change much until 1998.

[96] The defendants are adopting a rather over simplistic approach. In so

doing, the defendants are sweeping the evidence of PW1 — Sharifah bt Hj Mohd Tamin, under the carpet, so to speak.

[97] We will now highlight the evidence of PW1. At p 282 of the appeal record at *Jilid* 2, this was what she testified:

> Pada masa itu masih ada barangan lain yang dikeluarkan oleh plaintiff, yang tidak tercatit di dalam invois. Contohnya ialah Kicap Lemak Masin, Kicap Cair, Taucu.

[98] Again, at p 284 of the appeal record at *Jilid* 2, PW1 had this to say in her testimony:

> Invois bertarikh 29.12.1993. Ada 8 barangan yang dicetak dalam invois ini. Ada barangan lain yang dihasilkan tapi tidak tercatit dalam invois ini i.e. Taucu, salah satunya. Produk terlampau banyak, saya tak dapat namakan semua.

[99] The evidence of PW1 showed that there was no decline in the range of products of the plaintiffs. On the contrary, the evidence clearly illustrates and demonstrates that various products were in fact offered for sale and there was an increase in the range of the products that were produced and sold by the plaintiffs and their predecessors in title. If one were to take a look at the invoices referred to by the plaintiffs, it is clear that these invoices have extra columns and extra numbers for the addition of other goods. It is wrong for the defendants to even suggest that the plaintiffs are not using the 'TAMIN' trademark in relation to certain goods just because those goods are not printed or reflected in the invoice. That would be an unrealistic approach to adopt. In our judgment, the invoices of the plaintiffs and their predecessors in title made provisions for the addition of goods and these goods were in fact sold by the plaintiffs as presented to the High Court.

[100] The evidence further showed that some the products of the plaintiffs and their predecessors have been renamed in order to meet the demands and challenges of the market and at the same time to ensure greater sales of their products. At p 285 of the appeal record at *Jilid* 2, PW1 testified that:

> Syarikat plaintiff mula keluarkan sirap Ros pada tahun 1980an tetapi tidak aggressive. Invois-invois yang dikemukakan tadi tiada tercatit produk sirap Ros.

[101] It can therefore be safely said that rose syrup was produced in 1980 notwithstanding the fact that the plaintiffs and their predecessors were not that aggressive in pushing sales. Nevertheless the products were in fact there for the consumers to purchase. Even the evidence of DW6 seemed to support this assertion.

[102] In regard to the audited accounts, we have this to say. Any reference to the audited accounts dealing with the principal activities of the plaintiffs does not necessarily mean that the plaintiffs were only manufacturers of 'kicap'. It must be stressed that these audited accounts covered a period in the 1990s and the evidence led showed that at that time the plaintiffs were producing a whole range of products.

[103] This is not a mere assertion. It is grounded on the exhibits tendered before the High Court showing the physical products of the plaintiffs as well as the invoices showing sales of the plaintiffs' products together with the various brochures and all these can be found at pp 792–802 of the appeal record at *Jilid* 4 as well as at p 2010 of the appeal record at *Jilid* 8. We have since reproduced exhs P3, P4, P5, P28, P29, P30, P31, P32 and P33 in the early part of this judgment. All these exhibits are thought provoking and they showed the extent of the plaintiffs' grip on the usage of the 'TAMIN' trademark to their products. We also have, in great abundance, the invoices of the plaintiffs that were presented to the High Court. Lastly, we cannot ignore the admissions of the defendants in the defendants own memorandum of appeal.

THE FOURTH GROUND

[104] This ground can be seen at pp 35–41(1) of the appeal record at *Jilid* 1. It was worded in this manner:

> 4. Had the learned Judge adopted the correct approach in the judicial reception of evidence and that the oral evidence of 'PW1' and 'PW2' are critically tested against the whole of the other evidence and the circumstances of the case, the learned Judge would have made, inter alia, the following findings:
>
> (1) the Respondents did not establish its case on (the) balance of probabilities based on their cause of action in tort of passing off;
>
> (2) the Respondents do not, in fact and/or in law, acquire and/or owned and/or took over any goodwill in the trade mark 'TAMIN' because:
>
> (i) their 'predecessor', Syarikat Zamani Haji Tamin (and) Syarikat Salmi Haji Tamin were *mere licensees* of 'TAMIN' trade mark being allowed to use the 'TAMIN' trade mark by the owner of the mark, Mohd Tamin;
>
> (ii) there were no evidence to show that the said partnerships had acquired any goodwill in the trade mark 'TAMIN' and/or the Respondents had acquired any goodwill relating to the 'TAMIN' trade mark from the said partnerships;
>
> (iii) the Respondents themselves did not acquire any goodwill in the 'TAMIN' trade mark from their use of the said trade mark as they were *mere licensees* being allowed to use the said trade mark by the owners of the said mark, namely Mohd. Tamin and Sharifah;

(iv) it is trite law that the Respondents as licensees who use the trade mark under the license from Mohd. Tamin and Sharifah do not acquire any goodwill or interest from their use of the mark as all goodwill accrues to the owner of the mark;

(v) further, the Respondents, as licensees, did not establish the existence of any special circumstances under the law (namely, the licensor is a foreign entity and had never sold its products under the trade mark into the country and the licensee had at all times sold the products with the mark as the products of the licensee) to substantiate their allegations that they acquire any goodwill or interest from the use of the mark.

(3) The Appellants' use of the 'TAMIN' trade mark does not amount to any misrepresentation because:

(i) the Appellants are the first user of the mark 'TAMIN' for cordials, flavourings and syrups since 1990 and are the first to file a trade mark application for the trade mark 'TAMIN' for cordials, flavourings and syrups;

(ii) the Appellants had chosen the word 'TAMIN' because the said word means 'sickle' in the Malay language;

(iii) the Appellants had conducted at the Registry of Trade Marks in 1990 and the cordial and syrup industry in 1990 where there is no other party using and/or had applied or registered the trade mark 'TAMIN' for cordials, flavourings and syrups;

(iv) the Appellants have used the mark 'TAMIN' together with the device of a sickle for cordials, flavourings and syrups continuously and extensively since *1990* without encountering any incidence of confusion. In any event, the Respondents did not establish any instances of confusion that had caused damages to the Respondents;

(v) the Appellants' cordials, flavourings and syrups with the 'TAMIN' trade mark is the market leader in Kelantan and Terengganu being sold in 90% of sundry shops in Kelantan; and

(vi) the Appellants did not ride on any goodwill and reputation in the 'TAMIN' trade mark for cordials, flavourings and syrups through continuous promotions and sales of their products. In fact, the Respondents had already built up very substantial goodwill and reputation in the 'TAMIN' trade mark for cordials, flavourings and syrups that is independent of the Respondents;

(vii) the Respondents' 'TAMIN' soy sauce has no presence in Kelantan; and

(viii) at all times, the Appellants sold their 'TAMIN' cordials, flavourings and syrups as the products of 'Perindustrian Makanan dan Minuman Layang-Layang'.

(4) Further and in the alternative, the following facts would clearly establish

that the Appellants are honest concurrent user of the 'TAMIN' trade marks and has acquired concurrent rights, namely:

(i) prior to the usage of 'TAMIN' trade mark for cordials, flavourings and syrups in 1990, the Appellants had known no other party using the said trade mark for cordials, flavourings and syrups;

(ii) the Appellants had conducted a search at the Trade Mark Registry prior to the usage of the mark;

(iii) the Appellants had used their 'TAMIN' trade mark for products of their own which were not produced by the Respondents;

(iv) there is no evidence of confusions and/or inconvenience as the mark used by the Respondents under the licence and the Appellants mark are in totally different class;

(v) the 1st Respondent started using the 'TAMIN' mark for soy sauce *in 1988* and the 2nd Respondent started using the mark *in 1991*, both under the licence of Mohd. Tamin and Sharifah; and

(vi) the Appellants had started using the 'TAMIN' trade mark for syrup base *in 1990*. The expansion of products range by the Respondents' predecessor and the Respondents were after (the) Appellants.

[105] According to the defendants, had the learned High Court judge appreciated the evidence in its entirety, His Lordship would have found that:

(a) the plaintiffs had not established their case on the balance of probabilities;

(b) the plaintiffs do not own goodwill with respect to the 'TAMIN' trademark;

(c) the defendants' use of the 'TAMIN' trademark did not amount to misrepresentation; and

(d) the defendants were honest concurrent users of the 'TAMIN' trademark.

[106] Applying the legal principles to items (i)–(iv) above, we find that the contentions cannot be sustained. The learned High Court judge had correctly appreciated the facts of the case and the evidence and His Lordship had applied the correct legal principles and arrived at a decision in favour of the plaintiffs on the balance of probabilities.

[107] Items (i) is too general a statement of the law and we would not be specifically addressing it. However, in the course of dealing with items (ii)–(iv) as listed above, item (i) would also be addressed and it would be apparent that the learned High Court judge had correctly decided in favour of the plaintiffs on the balance of probabilities.

[108] We would now consider items (ii)–(iv) separately.

Item (ii)

[109] The defendants suggested that the plaintiffs being licensees could not have acquired rights to the 'TAMIN' trademark because the plaintiffs were mere licensees. The defendants next suggested that there was no proper transfer of title of the rights to the 'TAMIN' trademark from the plaintiffs' predecessors in title.

[110] We are constrained to say that the defendants looked at the issues in a wrong perspective. We are concerned here with live issues pertaining to ownership and goodwill and these are rights that are protected in an action for passing off. We reiterate that goodwill is an essential condition in a passing-off action. We will now refer, once again, to some authorities.

[111] In *Frank Reddaway and Frank Reddaway & Co, Limited v George Banham and George Banham & Co, Limited*, Lord Herschell at pp 209–210 made reference to a trademark at common law in this way:

> The word 'property' has been sometimes applied to what has been termed a trade mark at common law. I doubt myself whether it is accurate to speak of there being property in such a trademark, though, no doubt some of the rights which are incident to property may attach to it. Where the trade mark is a word or device never in use before, and meaningless, except as indicating by whom the goods in connection with which it is used were made, there could be no conceivable legitimate use of it by another person. His only object in employing it in connection with goods of his manufacture must be to deceive. In circumstances such as these the mere proof that the trade mark of one manufacturer had been thus appropriated by another, would be enough to bring the case within the rule as laid down by Lord Kingsdown, and to entitle the person aggrieved to an injunction to restrain its use. In the case of a trademark thus identified with a particular (manufacturer) the rights of the person whose trademark it was, would not, it may be, differ substantially from those which would exist if it were, strictly speaking, his property. But there are other cases which equally come within the rule that a man may not pass off his goods as those of his rival which are not of this simple character — cases where the mere use of the particular mark or device which had been employed by another manufacturer would not of itself necessarily indicate that the person who employed it was thereby inducing purchasers to believe that the goods he was selling were the goods of another manufacturer.

[112] In *Burberrys v JC Cording & Co Ld* (1909) 26 RPC 693 at p 701, Justice Parker made reference to goodwill in this fashion:

> On the other hand, no one is entitled by the use of any word or name, or indeed in any other way, to represent his goods as being the goods of another to that other's injury. If an injunction be granted restraining the use of a word or name, it is no doubt granted to protect property, but the property, to protect which it is granted, is not property in the word or name, but property in the trade or goodwill which will be injured by its use.

[113] Thus, the law may simply be stated as follows. That the right to be protected in a passing off suit relates to the goodwill in the business.

[114] In *The Commissioners of Inland Revenue v Muller & Co's Margarine, Limited* at pp 223–224, Lord MacNaghten defined 'goodwill' in this way:

> What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation, and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old established business from a new business at its first start. The goodwill of a business must emanate from a particular centre or source.

[115] Four discerning features of goodwill may be listed:

(a) that goodwill is the benefit added to the business through extensive trading operations which attracts custom;

(b) that trademark or get up is the badge and indicia that signifies, indicates and identifies the goodwill and the business;

(c) that goodwill is created through and by means of trading activities; and

(d) that the more extensive the trading activities are, which must necessarily include sales and promotion, the more value that would be attached to the goodwill.

[116] The facts presented to the High Court made it abundantly clear that the plaintiffs and/or their predecessors in title had used the 'TAMIN' trademark for a significant period of time. It must be recalled that the 'TAMIN' trademark was first used in 1951 by the late Hj Mohd Tamin bin Wahi. And the early use of the 'TAMIN' trademark was in relation to 'kicap'. Right from the word 'go' in 1951, the plaintiffs business prospered and expanded. More goods and products were manufactured and sold by the plaintiffs and their predecessors using the 'TAMIN' trademark. The business of the late Hj Mohd Tamin bin Wahi was then transferred to Syarikat Zamani Hj Tamin Sdn Bhd and Syarikat Salmi Hj Tamin Sdn Bhd. The plaintiffs took over the businesses of Syarikat Zamani Hj Tamin Sdn Bhd and Syarikat Salmi Hj Tamin Sdn Bhd. And the memorandum and articles of association of the plaintiffs are solid evidence of this take over.

[117] But the defendants say that all these are not sufficient and cannot be construed in favour of the plaintiffs. The evidence, however showed that this was what happened within the group of companies. The relevant authorities all favoured the plaintiffs.

[118] McCowan J in *Customs and Excise Commissioners v Dearwood Ltd* [1986] STC 327 at p 329 looked at the need for formal documents to effect a transfer of business and in doing so His Lordship relied on the speech of Widgery J in *Kenmir Ltd v Frizzell and others* [1968] 1 WLR 329 at p 335 which reads as follows:

> We think that the principles applied in these two cases govern the present case also. In deciding whether a transaction amounted to the transfer of a business regard must be had to its substance rather than its form, and consideration must be given to the whole of the circumstances, weighing the factors which point in one direction against those which point in another. In the end the vital consideration is whether the effect of the transaction was to put the transferee in possession of a going concern the activities of which he could carry on without interruption. Many factors may be relevant to this decision though few will be conclusive in themselves. Thus, if the new employer carries on business in the same manner as before this will point to the existence of a transfer, but the converse is not necessarily true because a transfer may be complete even though the transferee does not choose to avail himself of all the rights which he acquires thereunder. Similarly, an express assignment of goodwill is strong evidence of a transfer of the business but the absence of such an assignment is not conclusive if the transferee has effectively deprived himself of the power to complete. The absence of an assignment of premises, stock-in-trade or outstanding contracts will likewise not be conclusive if the particular circumstances of the transferee nevertheless enable him to carry on substantially the same business as before.

[119] McCowan J in *Customs and Excise Commissioners v Dearwood Ltd* looked at substance rather than form and that the absence of a formal document from the transferor to the transferee confirming the transfer of the business is said not to be fatal provided the surrounding circumstances show and suggest and point to the fact that there was a transfer of the business. Such factors like carrying on of the same business, the nature of operations of the transferee, etc, must be considered in order to establish whether there indeed was a transfer.

[120] The evidence before us is quite clear. It is clear in that the plaintiffs have taken over the business of the partnerships. The memorandum and articles of association all point in this direction.

[121] This brings to the forefront a germane question of the day: what is the effect of the assignment and the transfer? An assignment allows an assignee to

assume the position of the assignor (*New-West Management Group Sdn Bhd & Anor v Ng Ah Kow & Anor* [2008] 8 CLJ 18). What this amounts to is this: that the plaintiffs would acquire all the goodwill and reputation generated by the assignor. And upon the transfer, the plaintiffs stand in the shoes of their predecessors. As a consequence thereto, all rights that their predecessors would have would be taken over by the plaintiffs. And since the get up is the badge of goodwill of the business, the rights to that get up in Malaysia must surely reside and vest with the plaintiffs.

[122] Now, the plaintiffs having inherited the goodwill and reputation from the businesses formerly run by Hj Mohd Tamin bin Wahi continued steadfastly to develop the goodwill and reputation and proceeded further to extend the range of products previously offered by the businesses run by Hj Mohd Tamin bin Wahi. It is our judgment that the 'TAMIN' trademark had been consistently and continuously used by the plaintiffs and it became the badge as well as an indicator of the goodwill in the businesses run by the plaintiffs and their predecessors in title. In our judgment, the 'TAMIN' trademark is clearly distinctive of the plaintiffs.

[123] It was suggested by the defendants that the plaintiffs were not the true owners of the goodwill which was protected under the law of passing off. The defendants also contended that various 'TAMIN' trademark registrations under the Trade Marks Act 1976 (Act 175) had been assigned by the late Hj Mohd Tamin bin Wahi to his daughter — PW1. With respect such a contention overlooked the fact that our case concerned passing off under the common law. The defendants further contended that the 'TAMIN' trademark registrations were subsequently licensed to the plaintiffs. And flowing from this, the defendants further suggested that the plaintiffs were not in a position to complain about any damage to their goodwill and reputation because in the first place that goodwill and reputation belonged to some other party and the plaintiffs as mere licensees cannot be said to be the rightful plaintiffs.

[124] We categorically say that the defendants' contentions are devoid of merit. It seems that the defendants raised this issue solely on the basis that there were 'TAMIN' trademark registrations in the name of PW1 — Sharifah bt Hj Mohd Tamin. And on this basis, the defendants took the position that the plaintiffs are mere licensees. But it must be borne in mind that the cause of action in this appeal hinged on passing off and it was not concerned with trademark infringements under the Trade Marks Act 1976 (Act 175). We have stated the law earlier and that would be that s 82(2) of the Trade Marks Act 1976 (Act 175) preserves the rights in passing off. That being the case, the defendants' contentions that the registered trademarks bearing representations

of 'TAMIN' in the name of PW1 and licensed to the plaintiffs thus precluding the plaintiffs from pursuing the cause of action in passing off must fall flat to the ground.

[125] We have in extenso set out the law on passing off. In a nutshell, passing off protects the goodwill and reputation attached to the business of any claimant. And this goodwill — a precious commodity, is generated from trading activities which ultimately lead to consumer recognition. And because goodwill must be attached to a business, the claimant must therefore be conducting business in order to claim goodwill and reputation. From the evidence adduced, PW1 — Sharifah bt Hj Mohd Tamin, did not conduct business in her personal capacity. The business in which the 'TAMIN' trademarks were used were principally that of the plaintiffs and their predecessors. They were the ones who figured prominently in this appeal. They were the ones who generated enormous business activities through manufacturing, distributing, supplying, offering for sale and sale of various food and drink items all bearing the 'TAMIN' trademarks. In our judgment, it is clear beyond per adventure that the plaintiffs were the ones who own the goodwill and reputation attached to the business with reference to the 'TAMIN' trademark. In our judgment, on the balance of probabilities, it is the plaintiffs who would suffer damages if the rights to the 'TAMIN' trademark are infringed. It is the plaintiffs' business that would suffer tremendously from the unlawful activities of the defendants. It is crystal clear that the defendants surreptitiously riding on the goodname of 'TAMIN'. The defendants are nothing but mere 'copycats'. The defendants should have continued to use the 'LAYANG-LAYANG' trademark bearing the picture of the 'kite' on their bottles of cordials, flavourings and syrups to be sold in Kelantan just like the following examples as seen in the appeal record and no one would blink an eyelid. Everyone including the plaintiffs would be happy. There would then be no passing off.

[126] The 'LAYANG-LAYANG' trademark depicting the picture of a 'kite' can be seen in the following exhibits:

(a) D79 at p 3063 of appeal record at *Jilid* 11;

(b) D80 at p 3064 of appeal record at *Jilid* 11;

(c) D81 at p 3065 of appeal record at *Jilid* 11;

(d) D82 at p 3066 of appeal record at *Jilid* 11;

(e) D83 at p 3067 of appeal record at *Jilid* 11;

(f) D84 at p 3068 of appeal record at *Jilid* 11;

(g) D85 at p 3069 of appeal record at *Jilid* 11;

A (h) D86 at p 3070 of appeal record at *Jilid* 11;

(i) D87 at p 3071 of appeal record at *Jilid* 11;

(j) D88 at p 3072 of appeal record at *Jilid* 11;

B (k) D89 at p 3073 of appeal record at *Jilid* 11;

(l) D90 at p 3074 of appeal record at *Jilid* 11;

(m) D91 at p 3075 of appeal record at *Jilid* 11;

C (n) D92 at p 3076 of appeal record at *Jilid* 11; and

(o) D93 at p 3077 of appeal record at *Jilid* 11.

D **[127]** We need only to reproduce exhs D83, D86, D87, D88, D91, and D93 to prove our point:

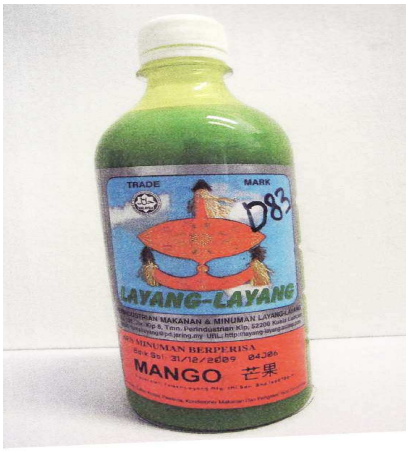
E

F

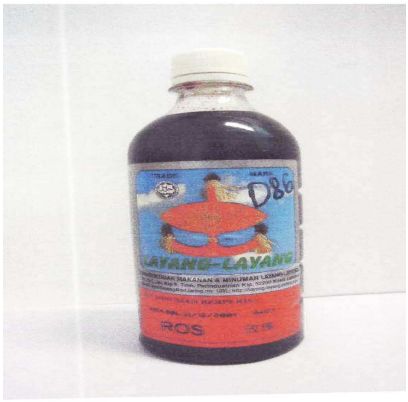
G

H

I


TRADE
MARK
D83
LAYANG-LAYANG
MINUMAN BERPERISA
MANGO 芒果

D83


D86
LAYANG-LAYANG
ROS

D86

A

B

C

D87

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E

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D88

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D91

D93

[128] Be that as it may, rightfully it is the plaintiffs who should be claiming for passing off to protect their goodwill and reputation.

[129] The defendants contended that the licenses that regulate the

ownership of the registered trademarks in the name of PW1 equally apply to the case in passing off. While acknowledging that there are decisions which support the contention that where there is a licensor/licensee arrangement, any goodwill and reputation that is generated thereto would enure to the benefit of the licensor, yet this is not necessarily a hard and first rule and it would certainly not apply where the dispute is not between the licensor and the licensee but rather with a third party.

[130] It is trite law that even where there is a licensor/licensee arrangement, in the contractual sense, and there is a hot dispute between the licensor and the licensee, goodwill generated out of the activities of the licensee remain throughout with the licensee to entitle them to the proprietary rights to the said goodwill. In *Habib Bank Ltd v Habib Bank AG Zurich* [1981] 1 WLR 1265 (CA), a dispute arose between the licensor and the licensee yet the court held that the licensee could lay a claim on goodwill and reputation generated out of their use of the 'Habib' trade name notwithstanding the fact that such use was on the basis of a licence given by the licensor.

[131] In a situation where the dispute is not between the licensor and the licensee but rather with a third party, the position is even more certain and clear. In such a situation, there is no necessity for the court to go into the relationship between the licensor and the licensee which regulates the contractual arrangements between them as to how the respective trademarks are to be held. And the court too would not entertain a technical defence raised by a defendant that since the action is commenced by the licensee and not the licensor, they are free to continue with their acts of infringement. In such a situation, the court would apply equity in determining the case.

[132] A classic example would be the case of *DHN Food Distributors Ltd v Tower Hamlets London Borough Council; Bronze Investments Ltd v London Borough of Tower Hamlets; DHN Food Transport Ltd v London Borough of Tower Hamlets* [1976] 1 WLR 852 (CA) at p 860 Lord Denning MR had this to say:

> We all know that in many respects a group of companies are treated together for the purpose of general accounts, balance sheet, and profit and loss account. They are treated as one concern. Professor Gower in *Modern Company Law*, (3rd Ed), (1969) at p 216 says:
>
> there is evidence of a general tendency to ignore the separate legal entities of various companies within a group, and to look instead at the economic entity of the whole group.
>
> This is especially the case when a parent company owns all the shares of the subsidiaries — so much so that it can control every movement of the subsidiaries. These subsidiaries are bound hand and foot to the parent company and must do just what the parent company says. A striking instance is the decision of the House of

> Lords in *Harold Holdsworth & Co (Wakefield) Ltd v Caddies* [1955] 1 WLR 352. So here. This group is virtually the same as a partnership in which all the three companies are partners. They should not be treated separately so as to be defeated on a technical point. They should not be deprived of the compensation which should justly be payable for disturbance. The three companies should, for present purposes, be treated as one, and the parent company DHN should be treated as that one. So DHN are entitled to claim compensation accordingly. It was not necessary for them to go through a conveyancing device to get it.

[133] And according to Goff LJ in the same case at p 861, that '… one is entitled to look at the realities of the situation …'.

[134] The same position was adopted by Justice Dillon in *Revlon Inc and others v Cripps & Lee Ltd and others* [1980] FSR 85 (CA) at p 96.

[135] Now, if we were to accept that the goodwill resides in PW1, this does not necessarily provide a defence to the acts of the defendants. From the facts, one cannot separate PW1 from the TAMIN group of companies comprising the plaintiffs bearing in mind that they should be treated as one and should not be defeated on a technical point or be deprived of compensation which they justly deserved.

[136] Any alleged licensing arrangements in the context of the common law rights to the mark are arrangements between the parties, namely, between PW1 and the plaintiffs. It is not open to the defendants to interfere with or use it as a means of escaping liability. The issue for us to consider is whether the defendants have indulged in acts that could result in damage to the business and goodwill of the plaintiffs. From the available evidence we know that the plaintiffs business is associated with the 'TAMIN' trademark — a distinctive mark peculiarly that of the plaintiffs. And whether the plaintiffs have a licensing arrangement or otherwise with PW1 is only relevant in dealings between the plaintiffs and PW1 and not with third parties like the defendants. We are concerned with the nagging question of whether the defendants' acts would cause damage to the business of the plaintiffs. We would readily answer the question posed in the positive.

[137] There are passages in the judgment of Kamalanathan Ratnam J in *Electro Cad Australia Pty Ltd & Ors v Mejati RCS Sdn Bhd & Ors* [1998] 3 MLJ 422 at p 447, that must be reproduced:

> In any event, I have no hesitation in holding that the second plaintiff owns the goodwill in Malaysia jointly with the third plaintiff. In *T Oertli AG v EJ Bowman (London) Ltd* [1959] RPC 1, the court held that a licensee can own the goodwill of the business in circumstances similar to that in the case before me. In any case, PW1 has confirmed that the second plaintiff owns the goodwill in the mark in Malaysia.

The defendants argued that a mere distributor may not acquire proprietary rights sufficient to sustain an action in passing off and in support relied on *Hai-O Enterprise Bhd v Nguang Chan; Liquor Trader (a firm, intervening)* [1992] 4 CLJ 1985. The *Hai-O* case dealt with the claim between two parties concerned with the genuine goods, namely, the foreign manufacturer and the importer of the said manufacturer's goods, to the trade mark. In the case before me, the defendants are not concerned with the genuine goods. In *Haw Par Bros International Ltd*, the court brushed aside as mere technicality the defendant's challenge to the ownership of the mark. Similarly, I intend to brush aside as a mere technicality the present defendants' challenge to the ownership of the mark whether by the second or the third plaintiffs because the issue of ownership between the second and/or the third plaintiff is not for the defendants to question.

[138] Mere technicality in regard to the defendants' challenge as to the ownership of the mark was also brushed aside by Chao Hick Tin J in *Haw Par Brothers International Ltd & Anor v Jack Chiarapurk & Ors* [1991] 2 MLJ 428.

[139] The following factual matrix ought to be put to the forefront. Firstly, we must not forget that there are admissions by PW1 that the goodwill resides with the plaintiffs jointly and severally by reason of their extensive use of the mark. Secondly, it must be borne in mind that the plaintiffs are more than mere distributors. The plaintiffs played major roles. In regard to the vast majority of their products, the plaintiffs are the manufacturers, distributors, suppliers and sellers. In *Electro Cad Australia Pty Ltd & Ors v Mejati RCS Sdn Bhd & Ors*, the defendants argued that the second plaintiffs being mere distributors may not acquire proprietary rights to sustain an action in passing off but the court held that there could be goodwill attached. Here, as can be seen, the plaintiffs were not mere distributors and there is no reason for us to arrive at a different finding from that of *Electro Cad Australia Pty Ltd & Ors v Mejati RCS Sdn Bhd & Ors*.

[140] We must look at the reality of the whole situation. We must not be swayed by mere technicalities thrown in as red herrings by the defendants in an attempt to oust the plaintiffs from succeeding in its claim for passing off against the defendants. The defendants should not be allowed to rely on technicalities in order to cloak their obvious infringing activities. PW1 has acknowledged that the goodwill and reputation which is the property protected in the passing off suit resides in the plaintiffs.

[141] It cannot be denied that passing off is a common law cause of action which can readily apply to a wide range of factual situations. In *Reckitt & Colman Products Ltd v Borden Inc and others* (the '*Jif Lemon*' case), two very significant factors were highlighted by the House of Lords. Firstly, that each passing off case depended on its own facts. Secondly, in defining the ingredients of passing off Their Lordships reverted to what is now known as the 'classical trinity' approach. At p 880, Lord Oliver of Aylmerton aptly said:

> First, he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying 'get-up' (whether it consists simply of a brand name or a trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services. Second, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by him are the goods or services of the plaintiff. Whether the public is aware of the plaintiff's identity as the manufacturer or supplier of the goods or services is immaterial, as long as they are identified with a particular source which is in fact the plaintiff. For example, if the public is accustomed to rely on a particular brand name in purchasing goods of a particular description, it matters not at all that there is little or no public awareness of the identity of the proprietor of the brand name. Third, he must demonstrate that he suffers or, in a quia timet action, that he is likely to suffer damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff.

[142] When we refer to the 'classical trinity' approach, we are referring to reputation, misrepresentation and damage to goodwill (the *Advocaat* case and the *Jif Lemon* case). It is a prerequisite of any successful passing off action that the plaintiff's goods have acquired a reputation in the market and are known by some distinguishing feature. We venture to say that the misrepresentation has deceived or is likely to deceive and, flowing from this, the plaintiffs are likely to suffer damage by such deception. Once the defendants here have misrepresented their goods in such a way that it is reasonably foreseeable that such a misrepresentation would cause the plaintiffs' business or goodwill to be damaged, then the tort of passing-off has been proved.

[143] Before the learned High Court judge, the defendants argued, based on some cases, that the licensor should own the goodwill. But all the authorities that the defendants relied upon relate to disputes between the licensors and the licensees and in some instances involving the position of registered trademarks. Now, cases like *JH Coles Proprietary, Limited (in liquidation) v JF Need* [1934] AC 82 (PC); *H & R Johnson Tiles Ltd & Anor v H & R Johnson (M) Bhd* [1998] 4 MLJ 13; and *A/B Helsingfors Manus v RJ Fullwood & Bland Ltd* (1949) 66 RPC 71 (CA), can readily be distinguished from the facts of the present appeal. Likewise, authorities like *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* (1999) RPC 367; and *Lam Soon (M) Bhd v Forward Supreme Sdn Bhd & Ors* [2001] 6 MLJ 651; [2001] 4 CLJ 673 should be ignored and disregarded. All these authorities concerned disputes between the licensors and the licensees.

[144] In our judgment, when we deal with circumstances involving third

parties like the present appeal at hand where the defendants are neither the licensors nor the licensees, the position taken in cases like *Electro Cad Australia Pty Ltd & Ors v Mejati RCS Sdn Bhd & Ors*; *DHN Food Distributors Ltd v Tower Hamlets London Borough Council, Bronze Investments Ltd v Same*; and *Haw Par Brothers International Ltd & Anor v Jack Chiarapurk & Ork* should be adopted.

[145] It cannot be denied that the defendants have no connection with the products of the plaintiffs. That being the case, the defendants have no right to complain bearing in mind that it was the defendants who caused the plaintiffs goodwill to be damaged.

Item (iii)

[146] The defendants suggested that their acts did not amount to misrepresentation. Various reasons were advanced to show that the defendants did not misrepresent their products as that of the plaintiffs. The defendants emphasised that:

(a) they were the first users of 'TAMIN' trademark in relation to articles of drink;

(b) they had independently come up with the name 'TAMIN' and at the time that they had used the 'TAMIN' trademark no other party had applied or registered the mark in relation to cordials, flavourings and syrups;

(c) they had used the 'TAMIN' trademark since 1990 without encountering any incidence of confusion;

(d) they were the market leader in Kelantan and did not ride the goodwill and reputation of the plaintiffs as they had built up substantial goodwill and reputation;

(e) the plaintiffs had no presence in Kelantan; and

(f) the defendants products were sold as originating from 'Perindustrian Makanan & Minuman Layang-Layang'.

[147] But the evidence showed otherwise. The evidence all pointed to the founder of the plaintiffs — the late Hj Mohd Tamin bin Wahi, who had used the 'TAMIN' trademark in 1951 earlier than the copycat defendants who used the same 'TAMIN' trademark in 1990 in Kelantan in relation to articles of drink. Surely there was misrepresentation by the defendants which caused damage to the goodwill and reputation of the plaintiffs by the use of the plaintiffs' 'TAMIN' trademark.

[148] In *AG Spalding & Bros v AW Gamage Ld*, Lord Parker had this to say about misrepresentation at p 284 of the report: A

> … the basis of a passing-off action being a false representation by the defendant, it must be proved in each case as a fact that the false representation was made. It may, of course, have been made in express words, but cases of express misrepresentation of this sort are rare. The more common case is, where the representation is implied in the use or imitation of a mark, trade name, or get-up with which the goods of another are associated in the minds of the public, or of a particular class of the public. B

C

[149] 'Misrepresentation' is a crucial ingredient in an action for passing off. To succeed, the plaintiffs must prove not only the fact of misrepresentation but additionally that the misrepresentation was material and operative. In our judgment, the plaintiffs succeeded in proving the factum of misrepresentation.

D

[150] To sell his goods, a trader usually marks his goods in a particular way or he may adopt a particular trading style. In doing so, the trader is making a representation to his customers that his goods is worth buying. And that representation becomes a misrepresentation if the trader adopts indentifying features of another trader's goods. Thus, from the facts the defendants have E appropriated the plaintiffs identifying features and pass off the defendants' goods as the plaintiffs.

[151] In passing off cases, the courts are concerned with the ordinary members of the public and the likelihood of them being confused by the F products sold in the open market. As to the appropriate test to apply, Lord Denning in *Newsweek Inc v British Broadcasting Corporation* (1979) RPC 441, at p 447 aptly said:

> The test is whether the ordinary, sensible members of the public would be confused. G It is not sufficient that the only confusion would be to a very small, unobservant section of society: or, as Foster J put it recently, if the only person who would be misled would be 'a moron in a hurry'.

[152] There were other tests that were proposed by Lord Cranworth: H

(a) 'ordinary purchasers, purchasing with ordinary caution, are likely to be misled' (*Seixo v Provezende* at p 196); and

(b) 'such a resemblance as to deceive a purchaser using ordinary caution' (*The Leather Cloth Company (Limited) v The American Leather Cloth Company (Limited)* (1866) 35 LJ Ch 53 at p 61). I

[153] Richmond J in the Supreme Court of New Zealand in *Bar's Leaks (NZ) Ltd v Motor Specialities* (1973) RPC 21 at p 28, after considering the

get-up of the defendant's product stated that 'one disregards the careless or indifferent person who fails to treat the label fairly'.

[154] Haslam J in *Hansells (NZ) Ltd v Baillie* [1967] NZLR 774 (SC) at p 783 said that the person to be considered would be the 'average prudent person, with proper eyesight and reasonable apprehension'.

[155] Lord Blackburn in *R Johnston & Co v Archibald Orr Ewing & Co* (1882) 7 App Cas 219 (HL) at p 229, stated that if purchasers were shown to have been deceived then, 'it could be no answer that the purchasers, so deceived, were incautious; the loss to the plaintiffs of the custom of an incautious purchaser is as great a damage as the loss of that of a cautious one'.

[156] Lord Oliver of *Aylmerton in Reckitt & Colman Products Ltd v Borden Inc and others* at p 888 proposed, in our view, the correct test in these fine words:

> The essence of the action for passing off is a deceit practised on the public and it can be no answer, in a case where it is demonstrable that the public has been or will be deceived, that they would not have been if they had been more careful, more literate or more perspicacious. Customers have to be taken as they are found.

[157] On misrepresentation, Lord Oliver of Aylmerton in *Reckitt & Colman Products Ltd v Borden Inc and others* at p 880 stated that misrepresentation relates to representation by the defendant to the public, whether or not intentional, leading or likely to lead the public to believe that goods and services offered by him are goods and services of the plaintiff.

[158] Again, on misrepresentation, Zakaria Yatim J (as he then was) in *Pakai Industries Bhd v Chen Yew Industries Sdn Bhd* [1991] 2 CLJ 1574 at p 1576, aptly said:

> To satisfy the requirement of misrepresentation the applicant must prove two points, firstly that the mark in question has become distinctive of its goods, and secondly the respondent's use of the mark is likely to deceive or cause deception.

[159] From the available evidence, it is clear that the plaintiffs have used the 'TAMIN' trademark for a considerable period of time beginning from 1951 in relation to a variety of food and drink products. It goes without saying that the 'TAMIN' trademark is a source identifier of the plaintiffs' products and their business and it is our judgment that it is thus distinctive of the products of the plaintiffs.

[160] The evidence clearly shows that the plaintiffs and their predecessors

were the first users of the 'TAMIN' trademark in Malaysia. The evidence is also clear that the plaintiffs and/or their predecessors have expanded the use of the 'TAMIN' trademark since its first use in 1951 in relation to 'kicap' to a variety of food and drink products. The defendants admitted that they only commenced the use of the 'TAMIN' trademark sometime in 1990, which is a good 40 years (four decades) after the usage of the 'TAMIN' trademark by the plaintiffs. The evidence also shows that the defendants started to use the 'TAMIN' trademark in 1990 in Kelantan, the place where the plaintiffs were not aggressive in the early 1990s.

[161] Bearing in mind that the plaintiffs had 40 years (four decades) head start over the defendants, it is quite clear that the 'TAMIN' trademark would naturally be associated only with the plaintiffs and not the defendants. The overwhelming and phenomenal sales and promotional activities of the plaintiffs made the plaintiffs undisputed owners of the 'TAMIN' trademark in Malaysia.

[162] Zakaria Yatim J (as he then was) in *Pakai Industries Bhd v Chen Yew Industries Sdn Bhd* stated that central to the requirement of misrepresentation would be the issues pertaining to confusion and deception. And the germane question of the day to pose would be whether a purchaser accustomed to the plaintiffs 'TAMIN' trademark would confuse the defendants 'TAMIN' trademark as that of the plaintiffs? The answer would certainly be in the positive.

[163] In deciding the two issues of confusion and deception, both the marks used by the plaintiffs and the defendants must be compared. And the elements of both marks belonging to the plaintiffs and the defendants have to be viewed in its totality by looking at the circumstances of the trade. Yong Pung How CJ (Singapore) in *Tong Guan Food Products Pte Ltd v Hoe Huat Hng Foodstuff Pte Ltd* [1991] 2 MLJ 361 (CA) at pp 366–367, approached the problem in this way:

> It is necessary for the court to take into account the nature of the purchasing public, the extent of confusion and the way in which confusion arises. The test for comparison of confusingly similar names, marks or other distinguishing indicia is not to compare them side by side but to take into account the fact that confusion which may occur will take place when the customer has in his mind his recollection of the appellant's mark which may well be only an idea of the whole or actual mark. As stated by Lord Radcliffe in *De Cordova v Vick Chemical Co Ltd* (1951) 68 RPC 103 at p 106:
>
> > the likelihood of deception or confusion in such cases is not disproved by placing the two marks side by side and demonstrating how small is the chance of error in any customer who places his order for the goods with both the marks clearly before him, for orders are not placed or often not placed under such conditions.

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> It is more useful to observe that in most persons, the eye is not an accurate recorder of visual detail and that marks are remembered rather by general impressions or by some significant detail than by any photographic recollection of the whole.

B

[164] Lord Denning in *Parker-Knoll Ltd v Knoll International Ltd (No 2)* (1962) RPC 265 (HL) made a good comparison of the meaning to the words 'confusion' and 'deception' in this way (at p 274):

C

> Secondly, 'to deceive' is one thing. To 'cause confusion' is another. The difference is this: When you deceive a man, you tell him a lie. You make a false representation to him and thereby cause him to believe a thing to be true which is false. You may not do it knowingly, or intentionally, but you still you do it, and so you deceive him. But you may cause confusion without telling him a lie at all, and without making any false representation to him. You may indeed tell him the truth, the whole truth and nothing but the truth, but still you may cause confusion in his mind, not by any fault of yours, but because he has not the knowledge or ability to distinguish it from the other pieces of truth known to him or because he may not even take the trouble to do so.

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[165] However if, in answer to the question: 'what prompts the public to buy?', and the insignia complained of is identified, then it is a clear case of deception.

F

[166] Persons who would be deceived or confused are the plaintiffs' own customers or the ultimate consumers of the products (*Erven Warnink Besloten Vennootschap and another v J Townend & Sons (Hull) Ltd. and another* (the *Advocaat* case) at p 742). An objectively slight similarity between two packages may even give rise to confusion (*R Johnston & Co v Archibald Orr Ewing & Co*; and *Wilkinson v Griffith* (1891) 8 RPC 370 (in both these two cases the label get-up imitated with different English wording marketed in India and confusing to non-English speaking purchasers)); *William Edge & Sons, Limited v William Niccolls & Sons, Limited* [1911] AC 693 (HL) (where many purchasers were illiterate and the addition of the defendant's name insufficient to distinguish the goods where get-up otherwise identical); *Saville Perfumery Ltd v June Perfect Ltd and Woolworth & Co Ltd* (1941) 58 RPC 147; and *White Hudson & Co, Ltd v Asian Organisation, Ltd* [1965] 1 All ER 1040 (PC), (where customers are not familiar with the Roman alphabet).

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[167] It is not necessary to show that all or substantially all the persons to whom the misrepresentation is made will be confused. However, it is sufficient in law that a substantial proportion of persons who are probably purchasers of the goods will in fact be confused (*J Bollinger SA and others v Costa Brava Wine Co Ltd (No 4)* (1961) RPC 116 at pp 125–127).

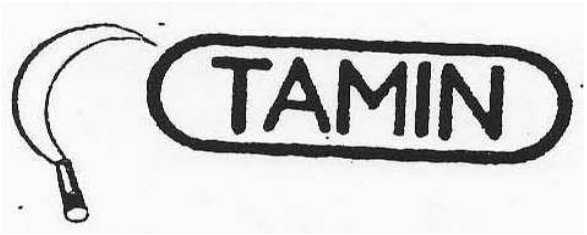
[168] The plaintiffs in order to succeed in a passing off action must show not only that there has been confusion but the plaintiffs too must show that the confusion has been caused by the appropriation by the defendants of the plaintiffs identifying indicia.

[169] We have seen the marks of both the plaintiffs and the defendants. It is our judgment, that the marks of the plaintiffs and that of the defendants are confusingly and deceptively similar. In their counterclaim, the defendants contended that whilst they may agree that the plaintiffs and their predecessors may have been the first parties to use the 'TAMIN' trademark, it was the defendants who had first used it in relation to syrups and cordials. Accordingly, the defendants argued that it was they and not the plaintiffs who have goodwill and reputation in relation to 'TAMIN' trademark in the business of syrups and cordials. We are of the considered view that the defendants' contentions are unsustainable both in law and on the facts.

[170] At para 15 of the statement of defence, the defendants averred as follows (see p 234 of the appeal record at *Jilid* 2):

> 15. The Defendants started manufacturing cordials, flavourings and syrups under a trade mark consisting of the word 'TAMIN' since 1990 and the device of a sickle has also been used together with the word 'TAMIN' as the Defendants' trade mark for cordials, flavourings and syrups since 1991. A representation of the 'TAMIN' trade mark used by the Defendants ('the Defendant's 'TAMIN' trade mark') is shown in the annexe to this Defence and Counterclaim.

[171] The 'annexe' can be seen at p 244 of the appeal record at *Jilid* 2 and we now reproduce it in this judgment:



[172] At para 16 of the statement of defence, the defendants explained why they chose the word 'TAMIN' (see p 234 of the appeal record at *Jilid* 2):

> 16. The Defendants had chosen the word 'TAMIN' as their trade marks for cordials, flavourings and syrups because the word 'TAMIN' in the Malay language means sickle which is used to harvest rice and the Defendants hope that the symbol of such basic harvesting tools will bring luck to the Defendants' business.

[173] The coloured bottle products of the defendants bearing the 'TAMIN' trademarks with the sickle devices can be seen in exhs D76 at p 3060 of the appeal record at *Jilid* 11, D77 at p 3061 of the appeal record at *Jilid* 11, D78 at p 3062 of the appeal record at *Jilid* 11, D94 at p 3078 of the appeal record at *Jilid* 11, D95 at p 3079 of the appeal record at *Jilid* 11, D96 at p 3080 of the appeal record at *Jilid* 11, D97 at p 3081 of the appeal record at *Jilid* 11, D98 at p 3082 of the appeal record at *Jilid* 11, D99 at p 3083 of the appeal record at *Jilid* 11, D100 at p 3084 of the appeal record at *Jilid* 11, D101 at p 3085 of the appeal record at *Jilid* 11 and D102 at p 3086 of the appeal record at *Jilid* 11. For the avoidance of doubt, we will now reproduce these exhibits:

D77

D78

A

B

TAMIN
Reaping Knife
STRAWBERI
D94

C

D

E

TAMIN
Reaping Knife
KELADI
D95

F

G

H

I

TAMIN
Reaping Knife
MANGGA
D96

D96

TAMIN
Reaping Knife
TEBU
D97

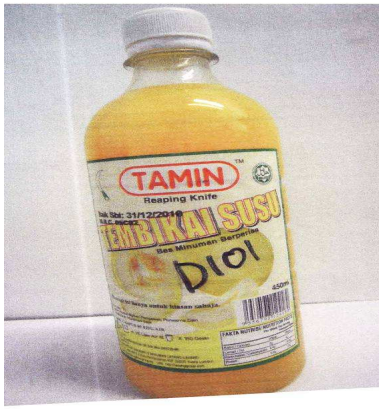
D97

D98

D99

TAMIN
Reaping Knife
ASAM MASIN
D100

D100


TAMIN
Reaping Knife
EMBIKAI SUSU
D101

D101

D103

[174] Now, the eye catching feature of the plaintiffs and the defendants marks would be the word 'TAMIN'. The members of the public especially the Malay housewives will only look at the word 'TAMIN' and they will not look as to who manufactured the products. Shopkeepers will readily volunteer to sell syrups bearing 'TAMIN' marks produced by the defendants.

[175] It is the good name of 'TAMIN' that will be recognised by certain group of people. They are the ordinary purchasing public who will recognise the label 'TAMIN' at first glance. Its distinctiveness and its wide spread usage has brought instant recognition by the purchasing public.

[176] The defendants insisted that they should be allowed to use the 'TAMIN' mark to syrups that are sold in Kelantan. But how are the defendants going to control their 'TAMIN' syrups from being marketed to the other parts of Malaysia? There would be total confusion and it will definitely destroy the plaintiffs' good name established since 1951 and still ongoing.

[177] It is our judgment that in October 1990 the defendants embarked in producing and marketing syrups using the 'TAMIN' mark as a spring board advantage in order to secure sales in Kelantan. They adopted the 'TAMIN' mark and they know the advantage for using the said mark and they profited from it.

[178] It must be recalled that PW1 testified that 'TAMIN' trademark had been used in relation to syrups by the plaintiffs and/or their predecessors since the 80s or perhaps even earlier given the long history of the plaintiffs and their predecessors in title over the 'TAMIN' trademark.

[179] Now, since the plaintiffs were first in time in Kelantan, which is not necessarily the stronghold for the plaintiffs, the plaintiffs should have prior rights to the 'TAMIN' trademark. The law is clear. The first who uses the 'TAMIN' mark in Malaysia must prevail and cannot be defeated by a subsequent user.

[180] The defendants argued that they had come up with the 'TAMIN' name independently and that they were bona fide in their approach. We find it difficult to accept these arguments. Here, we have to examine the evidence once again. The evidence shows categorically that the plaintiffs and their predecessors had been using the 'TAMIN' trademark for a substantial period of time. That being the case, the plaintiffs' products must have flooded the Malaysian market and easily available. While we acknowledge that the 'TAMIN' trademark is not internationally known, yet it is known locally throughout Malaysia. When the defendants alleged that they were unaware of the plaintiffs' usage of the 'TAMIN' trademark earlier in point of time, we find it difficult to believe.

[181] Be that as it may, even if we were to accept that the defendants' choice of the word 'TAMIN', a Malay word, was made bona fide, this cannot be accepted as a legitimate defence. 'TAMIN' is the name of the founder of the 'TAMIN' trademark. It is a Malay name and whatever mental element that the defendants had in selecting the word 'TAMIN' for their products is of no consequence and it is no answer to the cause of action for passing off (*AG Spalding & Bros v AW Gamage Ltd* [1994] 2 All ER 269; *Office Cleaning Services Ltd v Westminster Officer Cleaning Association*; *Parker-Knoll Ltd v Knoll International Ltd*; and *Erven Warnink Besloten Vennootschap and another v J Townend & Sons (Hull) Ltd and another* (the *Advocaat* case)). It is also no defence for the defendants to say that they honestly believe that no confusion will arise from their conduct.

[182] That the defendants profited from riding on the name 'TAMIN' cannot be doubted. The defendants started the sales of their products bearing the plaintiffs' 'TAMIN' trademark in Kelantan and the defendants have slowly built up very substantial sales from about RM20,000 per year in 1990 to sales of approximately RM1m per year in 2000. And as of 2005, the turnover for the defendants' 'TAMIN' syrup base products was RM3m pa.

[183] We have read the evidence of Mohamad Rashid bin Ali ('PW3') as well as the evidence of Abdullah bin Man ('PW4') and their evidence showed incidence of confusion and deception arising out of the presence of the defendants products thereby defeating the conditions of honest concurrent

user.

Item (iv)

[184] The defendants saw it fit to argue that they are honest concurrent users of the 'TAMIN' trademark in Malaysia and, consequently, there would not be any misrepresentation. But the facts all pointed in favour of the plaintiffs. We have seen that in the 80s the plaintiffs or perhaps even earlier, had entered the Kelantan market — not aggressively, selling the syrup products. The defendants in 1990 aggressively sold syrups in Kelantan using the 'TAMIN' trademark and it seems to us that the defendants deliberately chose Kelantan in order to escape the attention and detection of the plaintiffs and the defendants succeeded and prospered. In our judgment, with this background scenario, the defendants cannot be allowed to claim honest concurrent use when their intentions and actions, all along, have not been honest.

[185] The sum total of it all would be this. That there was misrepresentation on the part of the defendants in regard to the usage of the 'TAMIN' trademark.

THE FIFTH GROUND

[186] This concerned the argument that the learned High Court judge erred in law and in fact in holding that, firstly, the 'TAMIN' trademark is associated with the plaintiffs and, secondly, that there was an episode of confusion and deception to the public at large.

[187] In regard to the first issue, we reiterate that by virtue of the long usage of the 'TAMIN' trademark by the plaintiffs, the 'TAMIN' trademark has been distinctive of the plaintiffs and no one else.

[188] In regard to the second issue, the defendants argued that they were the first parties to use the 'TAMIN' trademark in relation to syrups and cordials. We have explored this in the early part of this judgment and we see no merit and it cannot be factually sustained.

[189] We categorically say that confusion and deception would arise out of the use of the 'TAMIN' trademark by the defendants. Now, when the goods to which the respective marks are applied to are the same or where there is a common field of activity, the incidence of confusion and deception is greater. Syrup products were sold by the plaintiffs in the 80s or even earlier using the 'TAMIN' trademark in Kelantan and when the defendants also sold the same products in Kelantan in 1990, confusion and deception are bound to happen.

[190] There is no strict requirement that the defendants must conduct its business in the same field of activity as the claimant (*Harrods Limited v Harrodian School Limited* [1996] RPC 697 (CA), per Lord Justice Millett). But this does not mean that evidence cannot be led as to the common field of activities of both the parties. The advantage of establishing the common field of acitivity is for the purpose of showing the likelihood of confusion and Russell LJ in *Annabel's (Berkeley Square) Limited v G Schock (trading as Annabel's Escort Agency)* [1972] RPC 838 considered it as highly relevant. At p 844, His Lordship said:

> In this question of confusion of course, as a matter of common sense, one of the important considerations is whether there is any kind of association, or could be in the minds of the public any kind of association, between the field of activities of the plaintiff and the field of activities of the defendant — as it is sometimes put: Is there an overlap in the fields of activity?

[191] In *Lego System Aktieselskab and another v Lego M Lemelstrich Ltd* [1983] FSR 155(the '*Lego*' case), Falconer J, placed emphasis on the proximity of the defendant's field of activity to that of the plaintiff as a relevant factor in deciding whether the defendant's conduct would cause confusion.

[192] We are aware that the phrase 'common field of activity' was the brainchild of Wynn-Parry J in *McCulloch v Lewis A May (Produce Distributors), Ltd* [1947] 2 All ER 845(the '*Uncle Mac*' case). There His Lordship remarked that the presence of the 'common field of activity' or the absence of it was crucial and conclusive in determining whether or not there was passing off. At p 851, His Lordship aptly said:

> … there is discoverable in all those in which the court has intervened the factor that there was a common field of activity in which, however remotely, both the plaintiff and the defendant were engaged and it was the presence of that factor that grounded the jurisdiction of the court.

[193] However, Wynn-Parry J's 'common field of activity' phraseology which is said to be conclusive in determining whether there can be passing off has been criticised by Manning J in *Henderson v Radio Corp Pty* (1969) RPC 218 at p 242 in this way:

> I think it would be unsafe to adopt the view there expressed that what has been called a common field of activity must be established in every case to entitle the plaintiff to succeed. It is undoubtedly true to say that the existence of a common field of activity is a most cogent factor to be taken into account in considering whether the misrepresentation is calculated to deceive or likely to lead to deception and may also be a factor in considering the second question as to whether the plaintiff has suffered damage. But, in my view, it is going too far to say that the absence of this so called common field of activity necessarily bars a plaintiff from relief.

[194] The prevailing law is clear. It is that there is no requirement for a common field of activity to found a claim in passing off. But if there is, the court would place emphasis on it. Be that as it may, the crucial question to pose in every case is this. Whether there is as a result of a misrepresentation a real likelihood of confusion or deception of the public and consequent damage to the plaintiffs here? In this connection, it would be prudent to ask whether the public would regard the activities of the parties as being so similar that they are likely to be commercially connected? We have asked these questions, and we would answer them in the positive.

[195] It is our judgment that the subsequent use of the 'TAMIN' trademark by the defendants in Kelantan in 1990 had caused confusion and deception to the ordinary purchasing public.

[196] Falconer J in the *Lego* case issued a permanent injunction to the makers of well known children's building bricks against the bona fide use of the name by the defendants there for garden irrigation equipment.

[197] In *Annabel's (Berkeley Square) Limited v G Schock (trading as Annabel's Escort Agency)*, the Court of Appeal gave judgment in favour of the plaintiffs who owned a night club against using the plaintiffs name by the defendants in relation to an escort agency.

[198] It is now ideal to narrate the facts in *Erven Warnink Besloten Vennootschap and another v J Townend & Sons (Hull) Ltd and another* (the *Advocaat* case). That was a case where the plaintiffs, a group of Dutch traders, since 1914, had been manufacturing and exporting a distinctive egg and spirit based liquor called 'advocaat' to Britain where it acquired over the years a substantial reputation as a distinctive and recognisable beverage. Sixty years later in 1974, the defendants began manufacturing and marketing in Britain a drink labelled as 'Keeling's Old English Advocaat'. In fact, it was an egg and wine based drink more accurately described as 'Eggs Flip'. Although it was not mistaken by the public as the Dutch advocaat, it soon captured a substantial part of the plaintiffs' British market.

[199] And the defendants in the Advocaat case did not even pretend to market their wine based drink as the plaintiffs' liquor which was spirit based. The words 'Keeling's Old English Advocaat' reflected the defendants intention. The defendants too did not, be it by intent or in effect, mislead the public into believing that their drink was manufactured by the plaintiffs. And, an action in passing off would not lie. But, the court ruled that the plaintiffs' action should succeed.

[200] In his judgment, Lord Diplock identified the mischief against which

the passing off action is intended to protect. And after finding that the case disclosed 'a case of unfair, not to say dishonest, trading of a kind for which a rational system of law ought to provide a remedy to other traders whose business or goodwill is injured by it', Lord Diplock said at p 740 of the report:

> Unfair trading as a wrong actionable at the suit of other traders who thereby suffer loss of business or goodwill may take a variety of forms, to some of which separate labels have become attached in English law. Conspiracy to injure a person in his trade or business is one, slander of goods another, but most protean is that which is generally and nowadays, perhaps misleadingly, described as 'passing off'. The forms that unfair trading takes will alter with the ways in which trade is carried on and business reputation and goodwill acquired.

[201] It is now apparent, that Lord Diplock's fresh approach emphasised more on fairness and honesty in the market place. According to His Lordship, the new definition of a valid cause of action in passing off would be in this fashion (see p 742 of the report):

> (1) a misrepresentation (2) made by a trader in the course of trade, (3) to prospective customers of his or ultimate consumers of goods or services supplied by him, (4) which is calculated to injure the business or goodwill of another trader (in the sense that this is a reasonable foreseeable consequence) and (5) which causes actual damage to a business or goodwill of the trader by whom the action is brought or (in a quia timet action) will probably do so.

[202] The defendants steadfastly held onto the argument that they were first in time to use the 'TAMIN' trademark in relation to syrups and cordials. From the notes of evidence, we discern that in the course of the trial, the products of both parties are found or potentially found in the same stores. And from the evidence, we note that the plaintiffs have expended their range of products from 'kicap' to food and drink items. This is the modus operandi of the plaintiffs and their predecessors in title since 1951. Again from the evidence, we notice that the trade and purchasing public throughout the length and breadth of the country are well aware of the plaintiffs' wide range of products carrying the 'TAMIN' trademark. This is borne out by the evidence of Abdullah bin Man ('PW4'). We too observe that the culture of expansion adopted by the plaintiffs was already put in motion even before the defendants' 'TAMIN' syrups and cordials entered the Kelantan market. That being the case, 'TAMIN' products be it in relation to items of food or drink are distinctive of the plaintiffs entirely. And when the defendants saw it fit to use the 'TAMIN' trademark in Kelantan in relation to syrups and cordials, that act would inevitably lead to confusion and deception. In our judgment, it is the defendants and not the plaintiffs who have indulged in acts which would lead to confusion and deception. *For the varied reasons alluded to in this judgment, the defendants' counterclaim should fail and the plaintiffs' claim prevail.*

[203] Next, it was argued that confusion has to be shown at the point of time when the first act complained about arose. But it must be borne in mind that the plaintiffs only became aware of the defendants' activities in 1996 and the plaintiffs then took steps to enforce their rights to the 'TAMIN' trademark.

[204] There is no necessity for the plaintiffs to prove actual confusion. The plaintiffs need only show the possibility of association (*Taittinger SA and others v Allbev Ltd and another* [1993] 20 FSR 641 (CA)). On the evidence as adduced before the learned High Court judge, undeniably there is a possibility of association.

THE SIXTH GROUND

[205] The defendants complaint centred on the failure of the learned High Court judge to give appropriate weight to the evidence of Nashitah Md Nawawi ('DW2'), Husain Abdullah ('DW3'), Ooi Kok Keong ('DW4'), Che Hasliza bt Che Awang ('DW7'), Mariah bt Mustapha ('DW9'), and Che Ab Hanim Che Haron ('DW10'). In our judgment, the learned High Court judge had arrived at the correct finding bearing in mind that none of these witnesses presented any testimony either to support the defendants' case nor did they cast doubts to the plaintiffs' case.

[206] These witnesses were called by the defendants to give evidence as to their awareness of the 'TAMIN' trademark. We note that similar questions were posed to them during examination-in-chief and almost identical answers were given by them by way of a reply.

[207] We also note from the appeal record, that all the said witnesses were only shown the products of the defendants in the course of their examination-in-chief. And this was aggravated by the failure of these witnesses to compare with the products of the plaintiffs. And to add insult to injury, these witnesses were not shown the products of the plaintiffs. Thus, it cannot be right for the defendants to conclusively say that these witnesses were able to associate the 'TAMIN' trademark with the defendants only and not any other party.

[208] Of significance to note is the fact that all the witnesses that were interviewed were from Kelantan only. Bearing in mind that the plaintiffs' 'TAMIN' products were known locally throughout Malaysia, there was not even the slightest attempt to obtain a balanced overall evidence of the respective usage of the 'TAMIN' trademark by the parties throughout the country.

[209] With respect, we are constrained to hold that the evidence presented by the defendants is very selective. It is merely confined to Kelantan.

[210] We also note that these witnesses had not made any comparison with the plaintiffs' products. Be that as it may, one significant factor cannot be overlooked. That it may well be that based on their existing knowledge of the 'TAMIN' trademark which we say had to be the plaintiffs' 'TAMIN' bearing in mind that the plaintiffs' 'TAMIN' was already in the market before the introduction of 'TAMIN' products by the defendants, these witnesses would have purchased the plaintiffs' 'TAMIN' products based purely on their knowledge of the plaintiffs and the plaintiffs' 'TAMIN' products.

[211] The law dictates that since the plaintiffs were first in time, their rights would take precedence over the defendants.

THE SEVENTH GROUND

[212] In this ground, the defendants questioned the manner in which the learned High Court judge considered the evidence of Mr Lim Yit Foong ('DW6'). We are of the considered view that the learned High Court judge had adequately addressed his mind to the evidence of DW6 and His Lordship viewed the evidence of DW6 cautiously for the following reasons:

(a) the survey was based on the background facts given by the defendants' solicitors. As an experienced individual, DW6 should have independently verified the facts given to him prior to conducting the survey. Without verification of the facts given to him by the defendants' solicitors, the survey would not reflect a balanced outcome;

(b) the survey failed to address the products of the plaintiffs which carried the 'TAMIN' trademark. It merely focussed on soya sauce and syrups. The defendants argued that the pleaded case of the plaintiffs harped on syrups and the plaintiffs are bound by their pleadings. But para 10 of the plaintiffs' statement of claim made it clear that the plaintiffs pleaded interests in various goods produced by the plaintiffs which included, inter alia, chilli sauce, tomato sauce, noodles, vermicelli, salted beans and other foodstuffs. This must of necessity include syrups and soya sauce as well;

(c) as stated earlier, the survey was conducted in Kelantan only. That being the case, it cannot be said that the defendants' 'TAMIN' products were more distinctive than the plaintiffs' 'TAMIN' products throughout Malaysia. A more balanced survey could be achieved if the survey had been carried out throughout the country. It must be borne in mind that the remedies prayed for by the parties in the statement of claim and in the counterclaim covered injunctive remedies and these remedies were not confined to the territorial boundaries of Kelantan only;

(d) the survey was deliberately conducted in Kelantan to ensure that the survey results would be favourable to the defendants;

(e) the survey targeted select targeted groups who commonly purchased the defendants' products. The survey was not conducted to cover a cross-section of the community. Two hundred and one (201) Malay housewives were interviewed. It must be borne in mind that other persons other than the Malay housewives would buy the kicap and syrup products. Surprisingly, DW6 himself confirmed that he would also buy such products. And DW6 could hardly be categorised as a Malay housewife;

(f) DW6 testified that the income of the targeted Malay housewives would not have a bearing on the outcome of the survey. We say that purchasing patterns vary according to the different income groups. It is only natural that your purchasing power is strong when you have more money. It is a simple case of pure common sense;

(g) DW6 did not personally conduct the interviews of the 201 Malay housewives. He merely based his findings on the results of the interviews conducted by the 20 interviewers. Yet DW6 was able to conclude that the defendants' 'TAMIN' products were the original 'TAMIN' and that the defendants' 'TAMIN' was the first in time even though the questionnaires did not point in that direction; and

(h) DW6's conclusions were incorrect. 'Original' suggests first in time and yet the outcome of the survey conclusively establishes that the plaintiffs and their predecessors in title were the first in time to use the 'TAMIN' trademark in relation to syrups and other wide range of items of food and drink.

[213] In regard to the evidence of the survey, the approach taken by the learned High Court judge received the support of the following cases:

(a) *Lim Yew Sing v Hummel International Sports & Leisure A/S* [1996] 3 MLJ 7; [1996] 4 CLJ 784 (CA); and

(b) *Imperial Group Plc & Another v Philip Morris Limited & Another* [1984] RPC 293.

[214] In regard to the survey, the evidence of DW6 pointed favourably in favour of the plaintiffs. The following salient factors cannot be overlooked:

(a) the survey confirmed that the plaintiffs' products bearing the 'TAMIN' trademark were in the Kelantan market even before the introduction of TAMIN by the defendants. DW6 admitted that the presence of the plaintiffs' 'TAMIN' products were not that extensive in Kelantan;

(b) at the time of the interview, a significant number of the Malay housewives have been using the TAMIN syrups for more than ten years. It must be recalled that at the time of the interview, the defendants TAMIN products had not been introduced for more than ten years. That being the case, the Malay housewives who were interviewed must be referring to the plaintiffs 'TAMIN' syrups. This piece of evidence is corroborated by PW1 — Sharifah bt Mohd Tamin, and she testified that the plaintiffs and their predecessors in title had introduced 'TAMIN' in relation to syrups since the 1980s; and

(c) It is wrong for DW6 to conclude that the defendants TAMIN was the original and first in time. In reality, it is the plaintiffs 'TAMIN' products which were first in time.

[215] Even though the testimony of DW6 was tailored to suit the needs of the defendants, yet the evidence favoured the plaintiffs. In the memorandum of appeal, the defendants complained that the learned High Court judge erred in accepting that part of the evidence of DW6 which was favourable to the plaintiffs. We categorically say that the treatment of the survey conducted by DW6 by the learned High Court judge is beyond reproach.

THE EIGHT GROUND

[216] This ground concerned the counterclaim of the defendants. The defendants claimed for passing off against the plaintiffs use of the 'TAMIN' trademark. But the evidence showed that the plaintiffs were the first in point of time, and it is the plaintiffs and not the defendants who should prevail. However, the defendants accepted that there is a degree of confusion and deception when the defendants used the 'TAMIN' trademark. That would bring into sharp focus the issue of misrepresentation.

[217] In ascertaining whether misrepresentation is present, the court must always be mindful of the requirement that a likelihood of association could arise out of the express or colourable activities of the defendants when compared to that of the plaintiffs. And there is, according to *Annabel's (Berkeley Square) Ltd v G Schock (trading as Annabel's Escort Agency)*, no necessity to prove actual association. The facts in *Annabel's* are as follows. The plaintiffs there were the proprietors of the well known *Annabel's* club in London. The defendants subsequent to the date of operation of the plaintiffs' *Annabel's* club set up an escort agency under the name of 'Annabel's Escort Agency'. The plaintiffs applied and the High Court granted an interlocutory injunction in favour of the plantiffs. Aggrieved, the defendants appealed to the Court of Appeal. Russell LJ gave judgment in favour of the plaintiffs who owned the nightclub.

[218] *Annabel's* laid down the following principles of law:

(a) a likelihood of confusion as opposed to actual confusion would be sufficient; and

(b) passing off could be sustained if there was a possibility of association giving rise to actual or possibility of confusion and deception.

[219] Put bluntly, the plaintiffs need not prove actual confusion. Mere proof of a possibility of association would be sufficient. Here, on the facts, the 'TAMIN' trademarks of the plaintiffs and the defendants are identical and they are applied to the same products or products sold through the same trade channels and, consequently, the possibility of association would have been present in 1990 when the defendants started using 'TAMIN' trademark in Kelantan. This is also supported by the defendants themselves bearing in mind their stand as reflected in the counterclaim.

[220] In reality there is evidence of actual confusion and this is apparent from the evidence of Abdullah bin Man ('PW4') and Abdul Latif bin Mohamad ('PW5').

THE NINTH GROUND

[221] This ground concerned the findings of the learned High Court judge. His Lordship adopted the correct legal principles and it would be useful to examine the relevant passage of his judgment. At p 121 of the appeal record at *Jilid* 1, His Lordship accepted that the property protected in a passing-off action is the goodwill in the business. And the case of *AG Spalding & Bros v AW Gamage Ltd* was relied upon by His Lordship for this proposition.

[222] And at p 123 of the appeal record at *Jilid* 1, the learned High Court judge accepted that goodwill is the property protected and the trademark identifies the goodwill.

THE TENTH AND ELEVENTH GROUNDS

[223] The issues raised in these two grounds have already been addressed in extenso in response to ground 4 and we do not propose to repeat it again. We categorically say that the evidence and the law favoured the plaintiffs. In our judgment, the plaintiffs have a valid claim in passing off. The plaintiffs have the requisite goodwill and reputation and they and their predecessors in title were the first users of the 'TAMIN' trademark in Malaysia in relation to a vast variety of products which also included syrups and cordials.

THE 12TH GROUND

[224] We have addressed grounds 12(1) and 12(2) in the early part of this

judgment. The defendants' contentions in ground 12(3) are very misleading because this issue has been pleaded. Reference to paras 8 and 9 of the statement of claim would dispel the notion that these matters were not pleaded.

THE 13TH GROUND

[225] This ground questioned reliance on the case of *Dent v Turpin; Tucker v Turpin* [1861] 2 J & H 139 by the learned High Court judge. We see nothing wrong with this approach. That case supports the proposition that goodwill can be jointly owned and this was what happened to the two businesses that took over the business of Hj Mohd Tamin bin Wahi. It is trite that since they own the goodwill, they can rightly transfer it to the plaintiffs.

[226] Be that as it may, the issue on the transfer and the position of the licensees have been extensively considered by us when dealing with ground 4 of the memorandum of appeal. The weight of the authorities favoured the plaintiffs and not the defendants.

THE 14TH GROUND

[227] Again, all the issues raised in this ground have already been considered by us in response to ground 4 of the memorandum of appeal.

THE 15TH GROUND

[228] Likewise the issues raised in this ground have already been considered by us when we dealt with ground 4 of the memorandum of appeal. The current legal principles support the plaintiffs' claim that they have the requisite goodwill and reputation to mount the claim in passing off. The facts indicate that the plaintiffs were the first users of the 'TAMIN' trademark in relation to syrups and cordials.

THE 16TH GROUND

[229] The issues raised in this ground have been considered by us when dealing with ground 4 of the memorandum of appeal. We are of the view that there is no issue of the corporate veil in this case.

THE 17TH GROUND

[230] In this ground, the defendants are suggesting that there was no evidence of the transfer of the business and goodwill from the plaintiffs' predecessors in title to the plaintiffs. The defendants even suggested that there

were no instruments of transfer. However, it must be highlighted that no formal requirements are required to effect the transfer of a business. And if documentary evidence is required to show the transfer of the business this can readily be seen in the Memorandum and Articles of Association. In the tax case of *Customs and Excise Commissioners v Dearwood Ltd*, the court in deciding as to the need of formal documents to effect a transfer of business relied on the case of *Kenmir Ltd v Frizzell* and the court stated that substance rather than form should be looked at.

[231] That being the case, we say that what the defendants are suggesting is untenable in law. Instead of addressing us on the issue of the plaintiffs wrongful use of the 'TAMIN' trademark, the defendants questioned the plaintiffs rights to use the 'TAMIN' trademark.

[232] The defendants had no connection with the plaintiffs goods bearing the 'TAMIN' trademark and yet they are complaining. At any rate, we need to look at the substance of the transaction rather than the form. We have considered the evidence in its entirety, and we are convinced that the plaintiffs had taken over the businesses from their predecessors in title.

THE 18TH GROUND

[233] The issues raised in this ground have been addressed by us earlier. We say that many of the defendants' contentions are based on assumed facts which do not tally with the evidence presented to the court.

[234] The defendants assumed that they were the first users of the 'TAMIN' trademark in relation to syrups and flavourings. But the evidence showed otherwise. The combined evidence of PW1, DW1 and DW6 all favoured the plaintiffs.

[235] The defendants have not sufficiently challenged the fact that the plaintiffs and their predecessors in title had first used the 'TAMIN' trademark in relation to 'kicap' and other articles of food. The defendants argued that the products that they sold are different and thus there would be no passing off. We have earlier embarked on an examination of the law and it is the law that the absence of a common field of activity is not fatal. As long as confusion and deception prevail, the element of misrepresentation would be made out.

[236] Here, the facts and the circumstances are more telling. We have evidence to show that the products were sold through the same trade channels. Actual confusion can be seen from the testimonies of PW3 and PW4. In

Annabel's, the evidence of actual confusion was in the form of telephone calls received on customer confusion. Here, there was customer confusion in the form of enquiries.

[237] We must reiterate that actual confusion need not be shown. But if there is an actual confusion, like the present appeal at hand, then it would be beneficial to the plaintiffs. All the plaintiffs need to show is that there is a possibility of association (*Taittinger SA And Others v Allbev Ltd And Another*).

[238] The evidence is overwhelming. We have the evidence showing extensive use of the 'TAMIN' trademark by the plaintiffs and the plaintiffs predecessors in title. It is sufficient based on the evidence of PW3, PW4 and PW5 to show that the 'TAMIN' trademark is associated with the plaintiffs.

THE 19TH GROUND

[239] In this ground, the defendants seem to suggest that the plaintiffs had not shown that they had suffered damages and flowing from that it was argued that the learned High Court judge was wrong in finding that the plaintiffs had suffered damages. We are of the view that the learned High Court judge had applied the correct legal principles in deciding this issue in favour of the plaintiffs.

[240] The law is settled. Actual damage need not be proven. It is sufficient to show a probability of damage. In this regard, the case of *HP Bulmer Ltd and Showerings Ltd v J Bollinger SA and Champagne Lanson Pere Et Fils* [1978] RPC 79 immediately comes to the forefront. There, Buckley LJ had this to say at p 95 of the report:

> It is well settled that a plaintiff in a passing off action does not have to prove that he has actually suffered damage by loss of business or in any other way. A probability of damage is enough, but the actual or probable damage must be damage to him in his trade or business, that is to say, damage to his goodwill in respect of that trade or business. 'Goodwill' is a word of wide import.

[241] There are various heads of damage. For this exercise, we are only concerned with destruction and diversion. For destruction, it is said that goodwill is destroyed, damaged or depreciated. For diversion, the goodwill may not be initially damaged to any measurable extent but the plaintiffs are still deprived of its benefit in the sense that the goodwill tilted more in favour of the defendants than the plaintiffs. In *Irvine v Talksport Ltd* [2002] 60 FSR 943, at p 955, Laddie J had this to say:

> Expressed in these terms, the purpose of a passing off action is to vindicate the claimant's exclusive right to goodwill and to protect it against damage. When a defendant sells his inferior goods in substitution for the claimant's, there is no difficulty in a court finding that there is passing off. The substitution damages the goodwill and therefore the value of it to the claimant. The passing off action is brought to protect the claimant's property. But goodwill will be protected even if there is no immediate damage in the above sense. For example, it has long been recognised that a defendant cannot avoid a finding of passing off by showing that his goods or services are of as good or better quality than the claimant's. In such a case, although the defendant may not damage the goodwill as such, what he does is damage the value of the goodwill to the claimant because, instead of benefiting from exclusive rights to his property, the latter now finds that someone else is squatting on it. It is for the owner of goodwill to maintain, raise or lower the quality of his reputation or to decide who, if anyone, can use it alongside him. The ability to do that is compromised if another can use the reputation or goodwill without his permission and as he likes.

[242] Here, the plaintiffs have shown, firstly, that there is the possibility of misappropriation of the goodwill and commercial advantage enjoyed by the plaintiffs in relation to products bearing the 'TAMIN' trademark initiated by the plaintiffs and their predecessors in title since 1951. To the plaintiffs the exclusivity to the 'TAMIN' trademark is lost. Secondly, it cannot be denied that if the products of the defendants bearing the 'TAMIN' trademark do not measure up to the quality associated with the plaintiffs' products, then the trading community and the public at large would associate such lack of quality to the plaintiffs bearing in mind that all the plaintiffs' products bear the 'TAMIN' trademark.

[243] When we look at the heads of damage, the evidence points to the acts of the defendants that would lead to damage to the plaintiffs. In our judgment, the defendants by using the 'TAMIN' trademark in relation to their products are clearly taking an unfair advantage of the goodwill and reputation of the plaintiffs. That was the unkindest cut of them all.

[244] Acknowledging that there is a possibility of association and the common field of activity between the plaintiffs and the defendants, there would be a clear danger of diversion and damage to the plaintiffs. In the words of Gunn Chit Tuan CJ (Malaya) in the Supreme Court case of *Seet Chuan Seng & Anor v Tee Yih Jia Foods Manufacturing Pte Ltd* [1994] 2 MLJ 770, at p 782:

> In an action for passing off, damage is also an essential element of the tort and it is necessary for the plaintiff to establish that he has suffered damage. However, if the goods in question, as in this case, are in direct competition with one another, the court will readily infer the likelihood of damage to the plaintiff's goodwill through loss of sales and loss of the exclusive use of his name.

[245] On the facts, there is no necessity to prove actual damage. Since the parties are engaged in a common field of activity, damage would be presumed and inferred by the court.

[246] It must be borne in mind that the activities of the defendants and the plaintiffs are the same and both of them are engaged in the business of manufacturing, supplying and selling items of drink. The plaintiffs' business extends further in the field of manufacturing, supplying and selling of various food items as well as food and drink items bearing the 'TAMIN' trademark and they are sold through the same channels as the defendants and they often compete with each other.

[247] Even if we were to assume that 'TAMIN' in relation to syrups was first introduced by the defendants and not the plaintiffs (which is not the case according to the evidence), this does not mean that the plaintiffs' claim against the defendants would fail. It must be borne in mind that food and drinks are articles of the same description and they are sold through the same channels. We have said that the plaintiffs have a culture of expanding their range of products and the public would easily associate 'TAMIN' products to the plaintiffs. For instance, when a customer sees 'TAMIN' when used in relation to articles of food and drink they would automatically assume that it is the plaintiffs' products. And the defendants by using 'TAMIN' in relation to their products, whatever their intention may be, would definitely benefit. This benefit accruing to the defendants coupled with the loss of business suffered by the plaintiffs is, in law, clear damage to the business goodwill and reputation of the plaintiffs.

[248] We are dealing with actual incidences of damage to the goodwill and reputation of the plaintiffs. PW3 narrated an incidence where a manager of a store in Seremban returned the defendants' products to PW3 (being a representative of the plaintiffs) as the manager was dissatisfied with the quality of the defendants' products. This is a classic example where the quality of the defendants' products were associated with the plaintiffs notwithstanding that the plaintiffs had no association with the defendants. This is also a classic example of actual damage to the business and goodwill of the plaintiffs.

[249] Another example worth mentioning is in regard to the evidence of PW4 who testified that he purchased the defendants products in the belief it was the products of the plaintiffs that he was accustomed to. This, in our judgment, is damage in the form of diversion of sales and business from the plaintiffs to the defendants.

[250] Damage to the goodwill and reputation of the plaintiffs would mean that the plaintiffs would lose exclusivity over their well established and

developed trademark — very distinctive and having a distinguishing feature or badge of recognition through the usage of the Malay word 'TAMIN'. And if the defendants' products do not meet the standards associated with the plaintiffs, such lack of quality would be attributed to the plaintiffs thereby resulting in loss to the goodwill and reputation. And one must not forget, that the defendants would profit from their acts without compensating the plaintiffs as the rightful owners of the 'TAMIN' trademark.

[251] Damage to the plaintiffs, being an essential element of the tort of passing off, has been established by the plaintiffs. According to *Borthwick v The Evening Post* (1888) 37 Ch D 449 at p 462; *British Legion v British Legion Club (Street) Ltd* (1931) 48 RPC 555 at p 563, and *Erven Warnink Besloten Vennootschap And Another v J Townend & Sons(Hull) Ltd And Another (the 'Advocaat' case)*, it is necessary that a particular plaintiff has suffered damage.

THE 20TH GROUND

[252] This ground criticised the approach by the learned High Court judge in assessing the evidence adduced before him. A perusal of the grounds of judgment of the learned High Court judge would reveal that His Lordship had thoroughly evaluated the facts and the evidence together with the law. That being the case, the decision of the learned High Court judge is correct on the facts and the law. On the balance of probabilities, His Lordship was correct.

THE 21ST AND 22ND GROUNDS

[253] These grounds concerned the counterclaim of the defendants for passing-off and they will be dealt with together.

[254] The defendants' counterclaim averred that they were the first parties to have used 'TAMIN' in relation to syrups and that they would have priority of rights and this priority of rights, according to the defendants, is even over and above the rights of the plaintiffs. We categorically say, that what the defendants say is based on assumed facts and such assumed facts are inconsistent with the evidence adduced.

[255] To succeed in passing off, the defendants are required to satisfy the same conditions that the plaintiffs are required to satisfy. And that would be that goodwill has been damaged by the misrepresentation of another party.

[256] But the evidence adduced, shows that it is the plaintiffs and not the defendants who were the first users of 'TAMIN'. The plaintiffs were the first users in relation to kicap, soya sauce and a variety of food and drink items. And the plaintiffs were also the first users of 'TAMIN' in relation to syrups, cordials

and drink related products. This is the only logical conclusion that could be drawn and inferred from the testimony of all the relevant witnesses.

[257] According to the evidence, the plaintiffs had a good reason to use the 'TAMIN' trademark because 'TAMIN' was the name of the founder of the plaintiffs predecessors in title. The defendants, on the other hand, had the flimsy reason of choosing 'TAMIN', a Malay word, as reflective of a harvesting knife to bring luck to the defendants business.

[258] The plaintiffs in *Midgley (ST) & Sons Ltd v Morris and Cowdery* (1904) 21 RPC 314 claimed that the slogan 'Fair Wear or a Free Pair' for shoes was distinctive of them but their case collapsed like a deck of cards because it was proved that the defendants had used it first. Likewise here, given the fact that it was the plaintiffs who had used the 'TAMIN' trademark first, the defendants' counterclaim must be doomed to fail.

[259] Even if we were to accept the defendants' contention that they were the first to use the 'TAMIN' trademark in relation to articles of drink, this would not give them prior rights to the mark. As alluded to earlier, food and drinks are broadly classified together and are sold through the same trade channels and appeal to the same class of customers. And if we accept that the plaintiffs have been using 'TAMIN' in relation to a whole range of food items and that, as seen from the evidence, there is a general culture of expansion of their business it would be sensible nay more reasonable to accept that there would be an expansion to drink related products as well. Since the plaintiffs were the prior users of the 'TAMIN' trademark, the defendants cannot complain against the acts of the plaintiffs bearing in mind that the plaintiffs were the first in time. A subsequent user should give way to the first user. A subsequent user should not be allowed to frustrate the first user.

[260] The defendants say that their 'TAMIN' trademark has been found to be distinctive of them when used in relation to syrups and cordials. To support the defendants' contentions, reliance was placed on various consumer and trade witnesses. To strengthen the defendants' case, a survey was commissioned to ascertain which 'TAMIN' trademark was distinctive. But the survey was confined to purchasers and traders in Kelantan and that was also done through evidence adduced by the defendants. In their quest to show that the 'TAMIN' trademark was distinctive of the defendants, they forgot to conduct the survey covering the whole of Malaysia. We have also seen that the defendants concentrated all their early commercial efforts in regard to the 'TAMIN' products in Kelantan and we have also seen that the plaintiffs were not that aggressive in Kelantan. The selective usage of the consumers in Kelantan cannot be said to be representative of the cross-section of the public and it should not be taken as the basis for deciding if the defendants trademark is

distinctive of the defendants or otherwise. It is an irony that the injunction sought by the defendants in their counterclaim is meant to extend throughout the country and not restricted to Kelantan only. In sharp contrast would be the evidence led by the plaintiffs which showed that the 'TAMIN' trademark was distinctive of the plaintiffs throughout the country and not limited to certain geographical areas or to Kelantan only.

THE 23RD GROUND

[261] This ground concerned the allegation that the learned High Court judge failed to make a finding on the totality of the evidence presented that the plaintiffs had made a false statement to the Enforcement Division and with malicious intention.

[262] The defendants in their counterclaim relied on the complaint made by the plaintiffs to the Enforcement Division that the usage of the defendants 'TAMIN' were false trade descriptions under the Trade Descriptions Act 1972.

[263] The crucial question to pose would be whether the statements of the plaintiffs to the Enforcement Division were made falsely? Now, given that the claim by the plaintiffs is in the tort of passing off, it is clear that the statements made to the Enforcement Division were true. Since the defendants had employed the use of 'TAMIN' in relation to their products well after the use of 'TAMIN' by the plaintiffs, it is clear that the defendants had been indulging in acts which could only be defined as passing-off their products as that of the plaintiffs.

[264] That being the case, the statements made by the plaintiffs to the Enforcement Division were true and thus the claim by the defendants of slander must necessarily fail. In our judgment, there is no issue of disparagement because the statements were true. And in our judgment, denigration does not arise and the plaintiffs are well within their rights to complain in order to protect and preserve their rights. It is pertinent to note that the complaint of the plaintiffs was independently evaluated by the Enforcement Division and they even held the view that the plaintiffs' complaint was well founded and legitimately made.

[265] The defendants may well argue that the plaintiffs complaint that was made on the basis of a trade description order dated 15 December 1993 was set aside by the Court of Appeal and that setting aside had vindicated the defendants position in relation to the Trade Descriptions Act 1972. But it is important to state that the trade description order was set aside on the basis that it did not properly identify the defendants' mark in the order. This is a mere technicality and it does not affect the position of passing off in this case. On the

facts as stated in this judgment, passing off has clearly been made out and the plaintiffs are justified in securing the reliefs that they sought for. Be that as it may, the defendants did not lead evidence as to the reasons for the setting aside of the trade description order and as to the manner in which it would affect their rights in relation to the passing off brought by the plaintiffs.

THE 24TH GROUND

[266] This ground concerned the defendants' counterclaim for slander to title and slander to goods.

[267] But, as stated in the early part of this judgment, no evidence was led as to the ingredients of slander to title and slander to goods. That being the case, we are not exploring these issues.

DECISION OF THIS COURT

[268] The salient facts pieced together from the available evidence are as follows:

(a) the plaintiffs and their predecessors in title were the first in time to use the 'TAMIN' trademark in Malaysia. The use of the 'TAMIN' trademark by the plaintiffs and their predecessors in title commenced in 1951 and the word 'TAMIN' was the name of the founder of the plaintiffs' predecessors in title — the late Hj Mohd Tamin bin Wahi;

(b) the plaintiffs and their predecessors in title expanded usage of the 'TAMIN' trademark to cover a wide range of food and drink items. The evidence led showed a consistent increase in the type of products offered for sale by the plaintiffs. 'TAMIN' trademark was used by the plaintiffs in relation to these products and all these before the date of introduction of 'TAMIN' by the defendants;

(c) the usage of the 'TAMIN' trademark in relation to syrups and cordials by the plaintiffs and their predecessors in title was in the 1980s;

(d) the 'TAMIN' trademark is currently used by the plaintiffs within the TAMIN group of companies throughout Malaysia;

(e) the extensive use of the 'TAMIN' trademark by the plaintiffs has resulted in goodwill and reputation to their business which is a property right which is protected under the law of passing off;

(f) the defendants commenced the use of the 'TAMIN' trademark at the very earliest in the 1990s (to be precise in October 1990) in relation to syrups and cordials. And this use is well after the introduction of TAMIN by the plaintiffs. It must be borne in mind that the early use by the

defendants of 'TAMIN' trademark was confined to the geographical area of Kelantan and that was in October 1990; and

(g) the use by the defendants of the 'TAMIN' trademark has resulted in confusion and deception which has caused damage to the goodwill and reputation of the plaintiffs.

[269] The pertinent facts summarised above favoured the plaintiffs. In our judgment, the plaintiffs' case in passing off has been established on the balance of probabilities. The plaintiffs by being the first users of the 'TAMIN' trademark in Malaysia are clearly entitled, by law, to the exclusive use of the 'TAMIN' trademark when used in relation to whatever products of interest to them which include articles of food and drink. The defendants who are the subsequent users of the 'TAMIN' trademark are thus not entitled to use the 'TAMIN' trademark in relation to their syrups and cordials.

[270] Before us, learned counsel for the defendants sought for a re-trial but we decline to do so. Firstly, there is no ground to ask for a re-trial. Secondly, there is no mention of a re-trial in the memorandum of appeal.

[271] In our judgment, the defendants' counterclaim are not supported by the evidence adduced.

[272] Being first users of the 'TAMIN' trademark, the plaintiffs ought to succeed in their claim. It follows, on the evidence adduced, that the counterclaim of the defendants both in passing off and slander must fail.

[273] For the reasons alluded to in this judgment, we affirm the decision of the learned High Court judge and we dismiss the defendants' appeal with costs of RM100,000 and damages to be assessed by the Senior Assistant Registrar of the Kuala Lumpur High Court.

[274] We also dismiss the defendants' counterclaim with costs of RM100,000. Deposit should rightly go to the plaintiffs.

[275] This judgment in draft has been shown to my learned brothers KN Segara JCA and A Samah Nordin JCA and they both expressed their concurrence with it. Their learned views have been incorporated in this judgment.

Defendants' appeal and counterclaim dismissed with costs.

Reported by Kanesh Sundrum